API Well Number: 43047517590000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3
AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER RW 41-35A	
2. TYPE OF WORK DRILL NEW WELL ● REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** UNDESIGNATED
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME** RED WASH
6. NAME OF OPERATOR QEP ENERGY COMPANY	**7. OPERATOR PHONE** 303 308-3068
8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078	**9. OPERATOR E-MAIL** debbie.stanberry@questar.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU0558	**11. MINERAL OWNERSHIP** FEDERAL ● INDIAN ○ STATE ○ FEE ○
12. SURFACE OWNERSHIP FEDERAL ● INDIAN ○ STATE ○ FEE ○	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ●
19. SLANT VERTICAL ● DIRECTIONAL ○ HORIZONTAL ○	

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	643 FNL 693 FEL	NENE	35	7.0 S	22.0 E	S
Top of Uppermost Producing Zone	643 FNL 693 FEL	NENE	35	7.0 S	22.0 E	S
At Total Depth	643 FNL 693 FEL	NENE	35	7.0 S	22.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 643	**23. NUMBER OF ACRES IN DRILLING UNIT** 40
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1150	**26. PROPOSED DEPTH** MD: 11802 TVD: 6444
27. ELEVATION - GROUND LEVEL 5483	**28. BOND NUMBER** ESB000024	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** A-36125/ 49-2153

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	12.25	9.625	0 - 4062	36.0	N-80 LT&C	0.0	Halliburton Light , Type Unknown	460	3.12	11.0
							Halliburton Premium , Type Unknown	360	1.47	13.5
Prod	7.875	4.5	0 - 11802	10.5	HCP-110 LT&C	10.5	Halliburton Light , Type Unknown	680	3.18	11.0
							Halliburton Premium , Type Unknown	520	1.65	13.5

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

- ☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☑ COMPLETE DRILLING PLAN
- ☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)
- ☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
- ☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)
- ☑ TOPOGRAPHICAL MAP

NAME Valyn Davis	**TITLE** Regulatory Affairs Analyst	**PHONE** 435 781-4369
SIGNATURE	**DATE** 07/28/2011	**EMAIL** Valyn.Davis@qepres.com

API NUMBER ASSIGNED
43047517590000

APPROVAL

Permit Manager

QEP Energy Company
RW 41-35A
Summarized Drilling Procedure

1. Construct location per plat.
2. MIRU air drilling rig.
3. Pre-set conductor.
4. Nipple up diverter system.
5. Drill 12-1/4" hole to 4,062' with air/mist.
6. RIH with 9-5/8" 36# N-80 casing and cement same per program.
7. RDMO air drilling rig.
8. MIRU conventional drilling rig.
9. NU and test 5M BOPE.
10. Drill out of 9-5/8" shoe and down to 11,802' using conventional mud systems.
11. Log well. Triple or Quad-Combo (GR, NEU/DEN, IND, RES, SON)
12. RIH with 4-1/2" 11.6# HCP-110 casing and cement same per program.
13. Pressure test casing.
14. ND BOP's and NU remainder of wellhead. Set BPV.
15. RDMO.

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
RW 41-35A

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated top of important geologic markers are as follows:

Formation	Depth, TVD & MD
Green River	3,112'
Mahogany	4,012'
Wasatch	6,612'
Mesaverde	9,302'
Sego	11,702'
TD	11,802'

2. Anticipated Depths of Oil, Gas, Water, and Other Mineral Bearing Zones

The estimated depths at which the top of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered as follows:

Substance	Formation	Depth, TVD & MD
Oil	Green River	3,112'
Gas	Wasatch	6,612'
Gas	Mesaverde	9,302'
Gas	Sego	11,702'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right A36125

(which was filed on May 7, 1964) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that

any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment

A. An 11" 5000 psi double ram with blind rams and pipe rams, annular preventer and drilling spool or BOP with 2 side outlets.

B. All BOP connections subject to pressure shall be flanged, welded or clamped.

C. Kill line (2" min), 2 choke line valves (3" min), choke line (3" min), 2 kill line valves (2" min) and a check valve, 2 chokes with one remotely controlled from rig floor and a pressure gauge on choke manifold.

D. Upper and Lower Kelly cock valves with handles and safety valve and subs to fit all drill string connections.

E. IBOP or float sub available.

F. Fill up line must be installed above the uppermost preventer.

G. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc…, for a 5M system and individual components shall be operable as designed.

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	Expected MW(ppg)
17 ½"	14"	Sfc	60'	Steel	Conductor	None	Used	N/A
12-1/4"	9-5/8"	Sfc	4,062'	36#	N-80	LTC	New	Air
7 7/8"	4-1/2"	Sfc	11,802'	11.6#	HCP-110	LTC	New	10.5

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
RW 41-35A

Casing Strengths:				Collapse	Burst	Tensile (min)
9-5/8"	36#	N-80	LTC	2,370 psi	5,120 psi	820,000 lb.
4 1/2"	11.6#	HCP-110	LTC	8,830 psi	10,710 psi	279,000 lb.

Casing Design Factors
*The casing prescribed above meets or exceeds the below listed design factors.
Burst: 1.2
Collapse: 1.2
Tension: 1.6

Maximum anticipated mud weight: 10.5 ppg
Maximum anticipated surface treating pressure: 7,200 psi

5. **Cementing Program**

9-5/8" Surface Casing:

Lead Slurry: Surface (TOC) – 3,000'. 460 sks (1409 ft^3) Halliburton Extendacem, 1 pps Granulite TR 1/4, 0.125 pps Poly-E-Flake, Slurry Weight 11.0 ppg, 3.12 ft^3/sk, 50% XS in open hole only.

Tail Slurry: 3,000' – 4,062'. 360 sx (516 ft^3) Halliburton Econocem, 0.2% HR-5 Retarder, 1.0 pps Granulite TR 1/4, 0.125 pps Poly-E-Flake, Slurry Weight 13.5 ppg, 1.47 ft^3/sk, 50% XS in open hole.

4-1/2" Production Casing*:

Lead Slurry: 3,000' (TOC) – 9,302'. 680 sks (2134 ft^3) Halliburton Extendacem, 1 pps Granulite 1/4, 0.125 pps Poly–E–Flake. Slurry Weight 11.0 lb/gal, 3.18 ft^3/sk, 50% excess over gauge in open hole only.

Tail Slurry: 9,302 – 11,802'. 520 sks (858 ft^3), Halliburton Expandacem, 0.3% Super CBL (Expander), 0.6% HR-800 (Retarder), 1 pps Granulite TR ¼, 0.125 pps Poly-E-Flake (LCM). Slurry Weight 13.5 lb/gal, 1.65 ft^3/sk, 50% excess over gauge hole.

*Final cement volumes to be calculated from caliper log.

6. **Auxiliary Equipment**

A. Kelly Cock – yes

B. Float at the bit – Yes

C. Monitoring equipment on the mud system – PVT/Flow Show

D. Full opening safety valve on the rig floor – Yes

E. Rotating Head – Yes

F. Request for Variance:

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 4,062' feet and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
2. **Blooie line discharge 100 feet from wellbore and securely anchored** – the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
3. **Automatic igniter or continuous pilot light on blooie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
4. **Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
5. **Kill Fluid to control well** – In lieu of having mud products on location to kill the well for an unanticipated kick, QEP will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.
6. **Deflector on the end of the blooie line** – QEP will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the

deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.

7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.

G. Drilling below the 9-5/8" casing will be done with water based mud. Maximum anticipated mud weight is 10.5 ppg.

H. No minimum quantity of weight material will be required to be kept on location.

I. Gas detector will be used from intermediate casing depth to TD.

7. Testing, logging and coring program

A. Cores – none.

B. DST – none anticipated

C. Logging – Mud logging – Intermediate Casing to TD
OH Logs: GR-SP-Induction, Neutron Density.

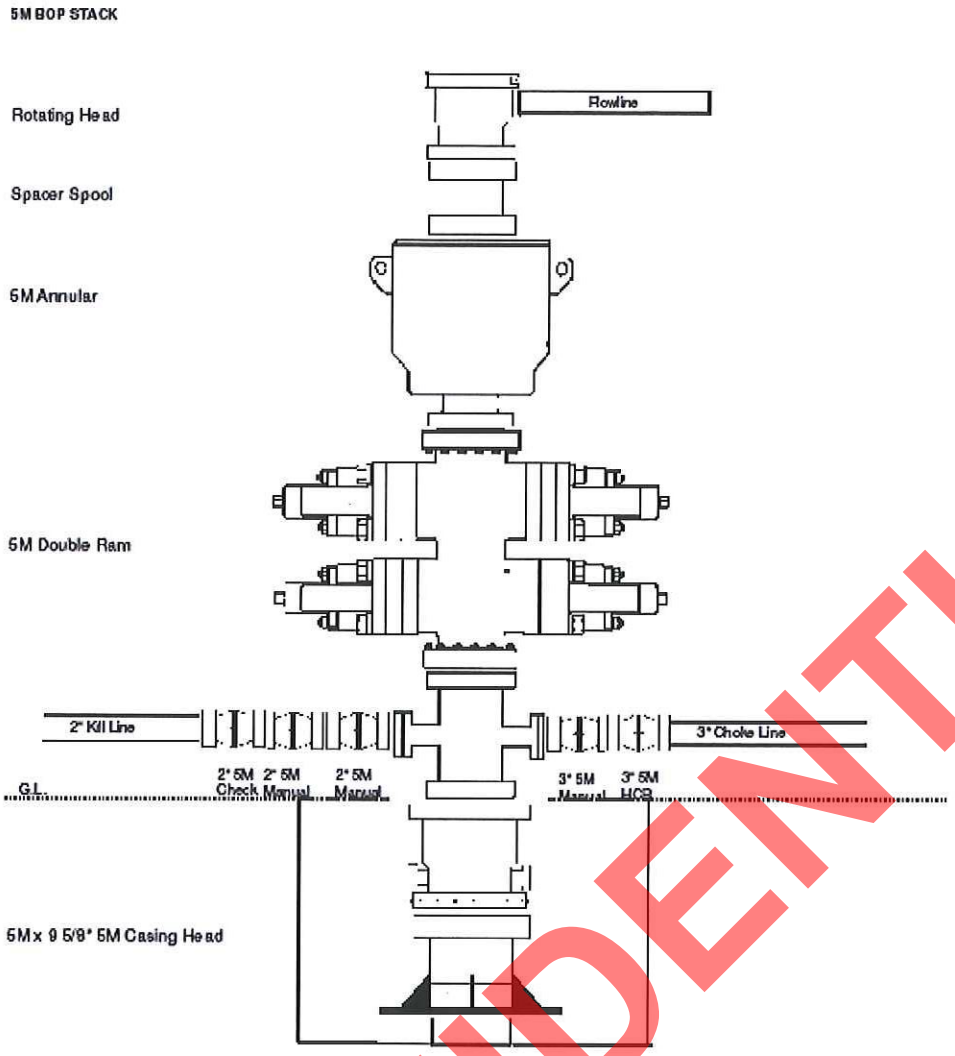
D. Formation and Completion Interval:
– Stimulation will be designed for the particular area of interest as encountered.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

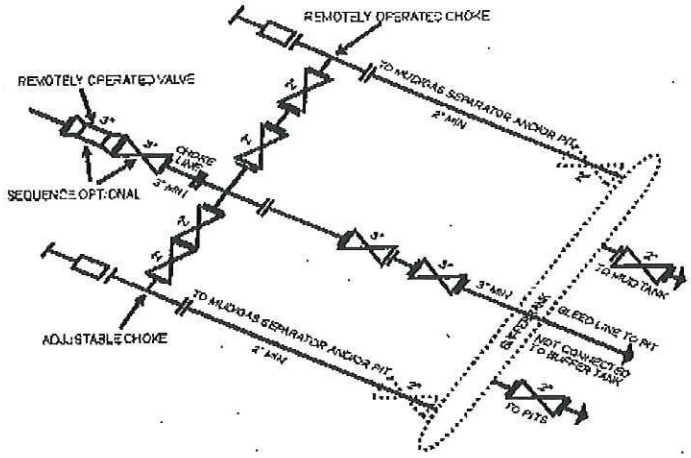
No abnormal temperatures or pressures are anticipated. Maximum anticipated bottom hole pressure equals approximately 6,444 psi. Maximum anticipated bottom hole temperature is 215° F.

H2S has not been encountered in other wells drilled to similar depths in the general area.

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
RW 41-35A



ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
RW 41-35A



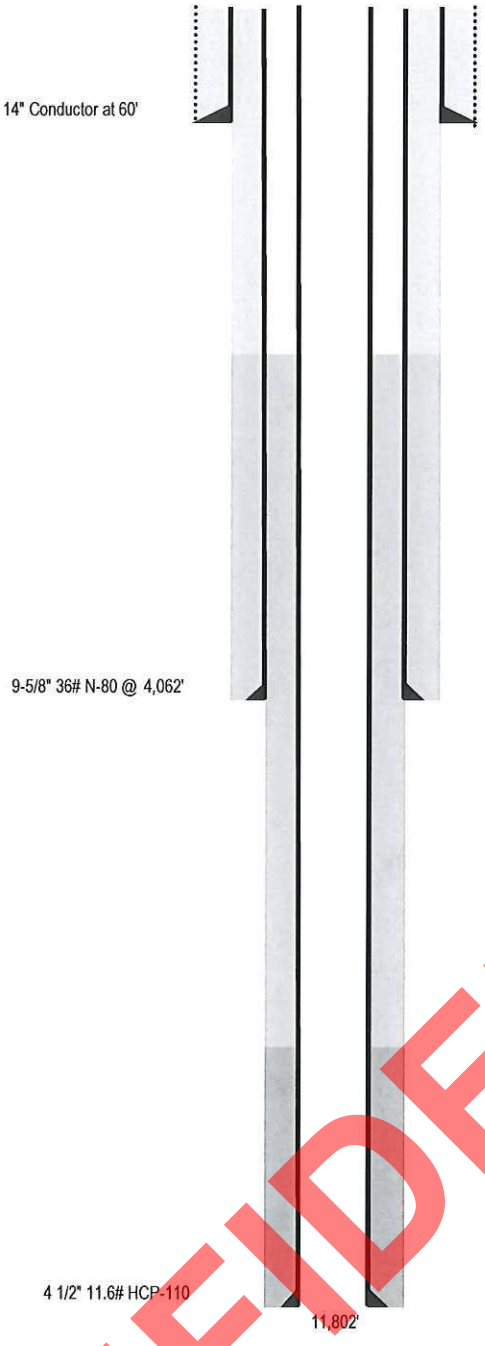
5M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

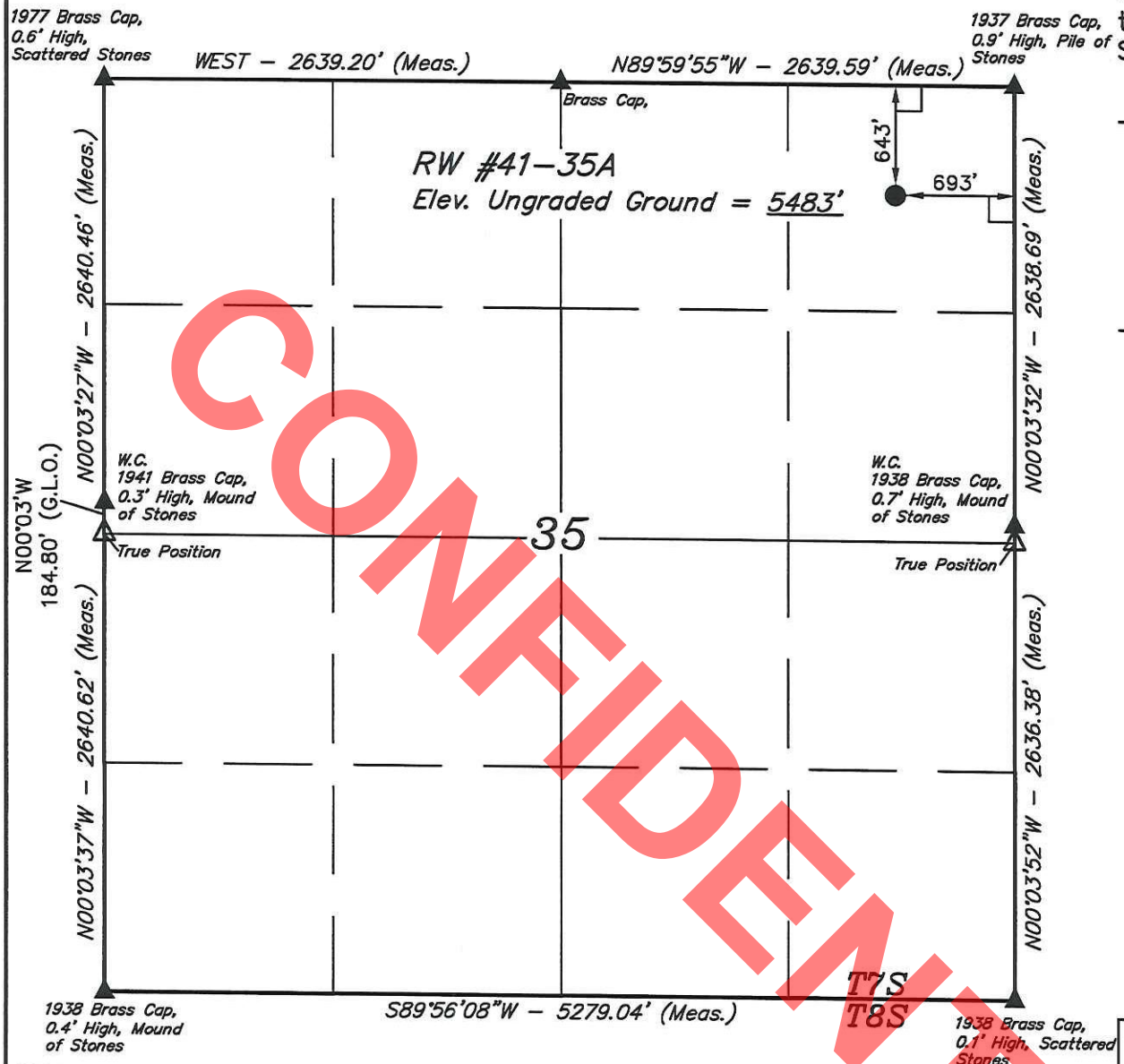
[54 FR 39528, Sept. 27, 1989]

Updated MPG 5-1-2011
Not to scale

RW 41-35A
NENE Sec 35 T7S R22E
643' FNL & 693' FEL Sec 35 T7S R22E S.L.B.&M.
Uintah County, Utah
KB 5,497'
GL 5,483'



T7S, R22E, S.L.B.&M.



QEP ENERGY COMPANY

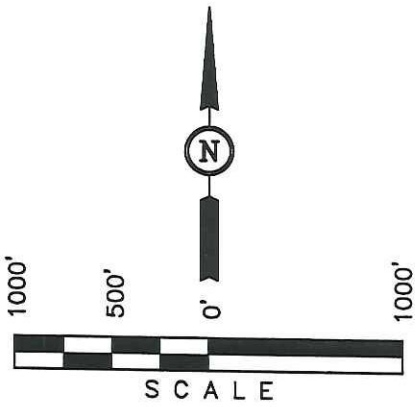
Well location, RW #41–35A, located as shown in the NE 1/4 NE 1/4 of Section 35, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE–ESTABLISHED. (Not Set on Ground.)

(NAD 83)
LATITUDE = 40°10'24.48" (40.173467)
LONGITUDE = 109°24'00.92" (109.400256)
(NAD 27)
LATITUDE = 40°10'24.61" (40.173503)
LONGITUDE = 109°23'58.45" (109.399569)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE: 1" = 1000'	DATE SURVEYED: 03–18–11	DATE DRAWN: 03–21–11
PARTY: A.F. J.C. K.O.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: QEP ENERGY COMPANY	

API Well Number: 43047517590000

QUESTAR ENERGY COMPANY

RW #41-35A

LOCATED IN UINTAH COUNTY, UTAH
SECTION 35, T7S, R22E, S.L.B.&M.

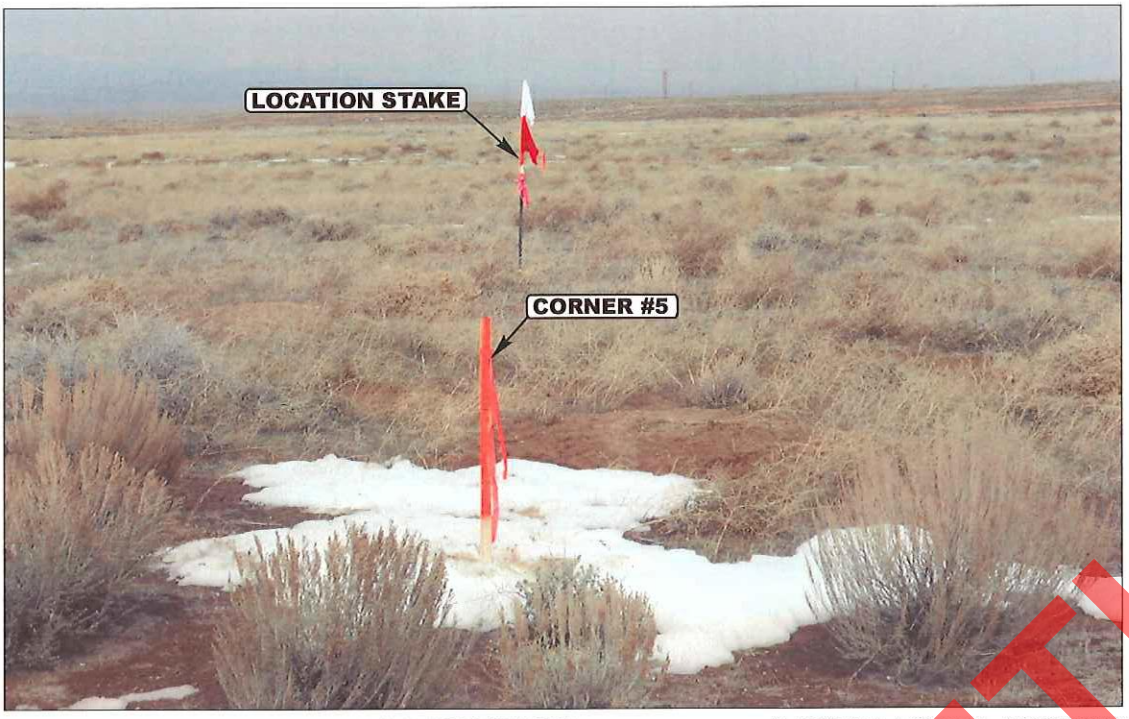


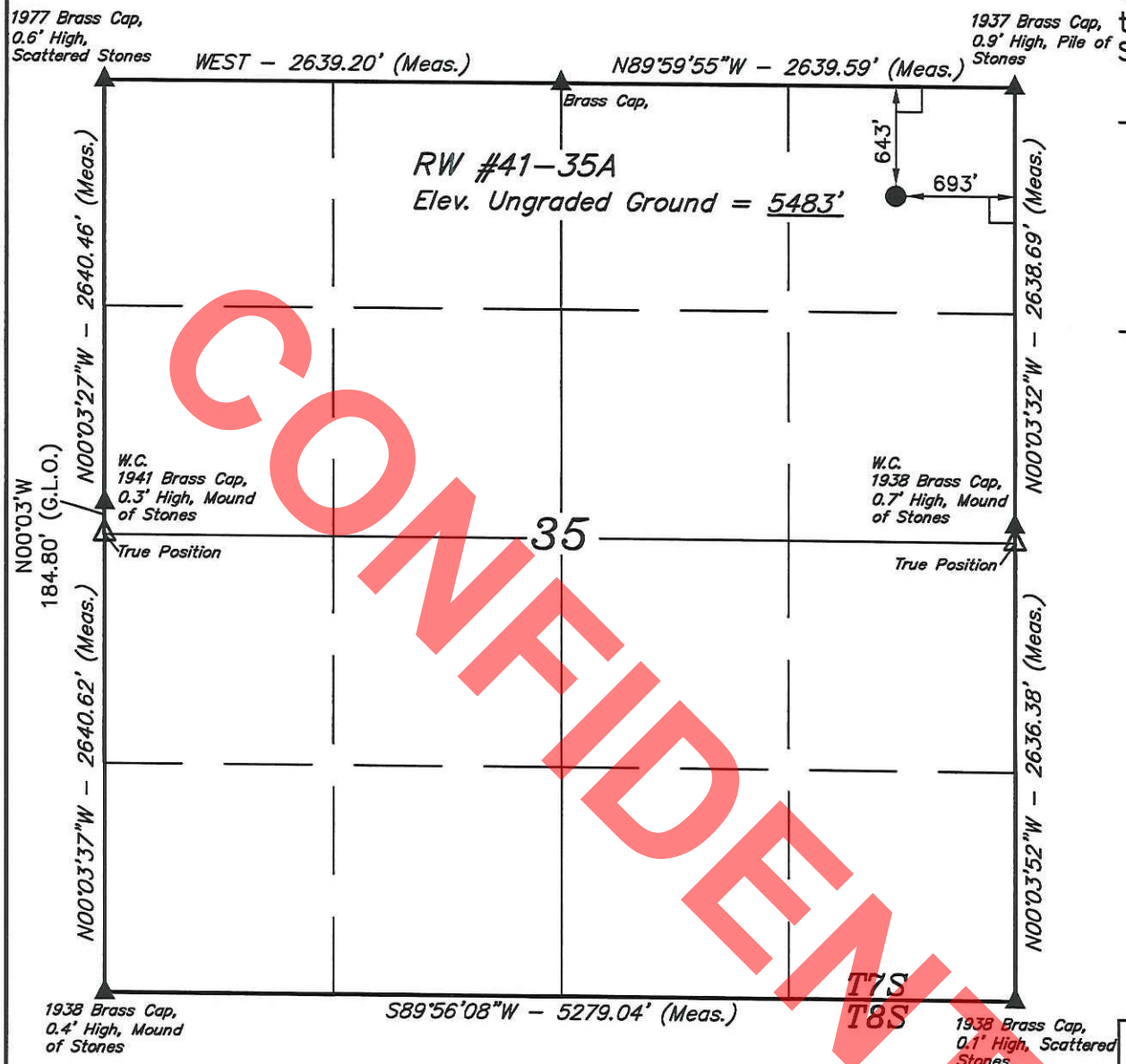
PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHWESTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	03 MONTH	24 DAY	11 YEAR	PHOTO
TAKEN BY: A.F.	DRAWN BY: C.A.G.	REVISED: 00-00-00		

T7S, R22E, S.L.B.&M.



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(NAD 27)
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QEP ENERGY COMPANY

Well location, RW #41-35A, located as shown in the NE 1/4 NE 1/4 of Section 35, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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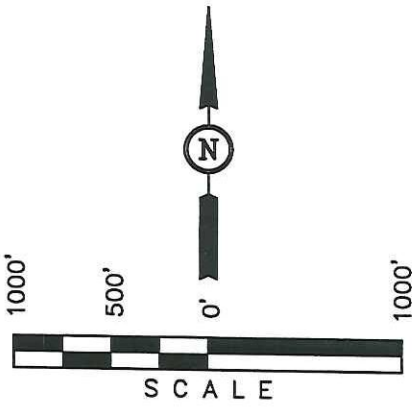


CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 03-18-11	DATE DRAWN: 03-21-11
PARTY: A.F. J.C. K.O.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: QEP ENERGY COMPANY	

API Well Number: 43047517590000

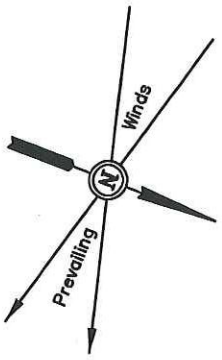
API Well Number: 43047517590000

QEP ENERGY COMPANY

LOCATION LAYOUT FOR

RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

FIGURE #1
SCALE: 1" = 50'
DATE: 03-21-11
DRAWN BY: K.O.



NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

El. 83.1'
C-1.0'

El. 82.5'
C-0.4'

El. 79.8'
F-2.3'

Proposed Access Road

Sta. 3+50

Approx. Toe of Fill Slope

Reserve Pit Backfill & Spoils Stockpile

FLARE PIT

175'

Cut/Fill Transition Line

El. 84.1'
C-12.0'
(Btm. Pit)

El. 83.8'
C-1.7'

C-1.0'
El. 83.1'

El. 79.4'
F-2.7'

70'

48'

150'

Sta. 1+75

El. 83.7'
C-1.6'

RESERVE PITS (10' Deep)

10' WIDE BENCH

150'

Total Pit Capacity W/2' of Freeboard = 9,850 Bbls.± Total Pit Volume = 2,780 Cu. Yds

1:1 1/2 SLOPE

Topsoil Stockpile

Sta. 1+00

SEPARATOR

El. 84.1'
C-12.0'
(Btm. Pit)

El. 82.9'
C-0.8'

10' WIDE BENCH

33'

Approx. Top of Cut Slope

Sta. 0+00

CONSTRUCT DIVERSION DITCH

El. 82.9'
C-0.8'

El. 82.2'
C-0.1'

El. 81.9'
F-0.2'

Elev. Ungraded Ground At Loc. Stake = 5483.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 5482.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QEP ENERGY COMPANY

TYPICAL CROSS SECTIONS FOR

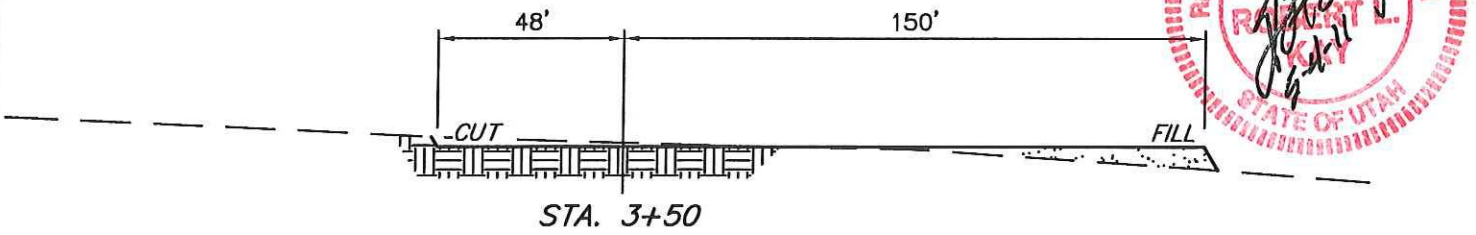
RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

FIGURE #2

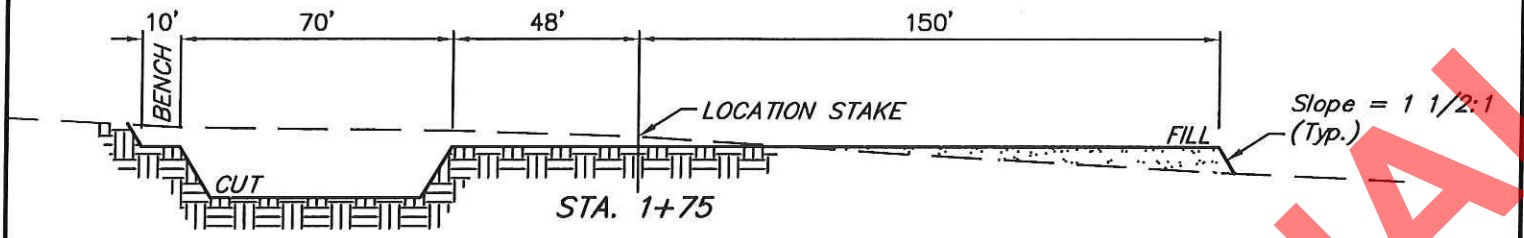
1" = 20'
X-Section Scale
1" = 50'

DATE: 03-21-11
DRAWN BY: K.O.
REVISED: 04-28-11

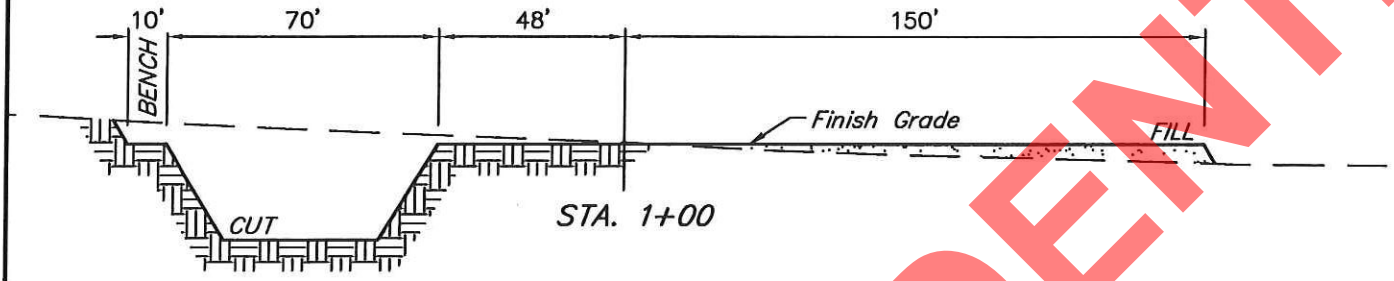
REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH



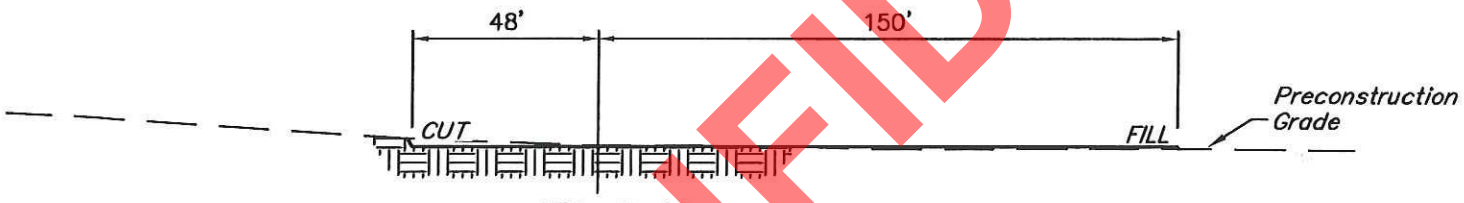
STA. 3+50



STA. 1+75



STA. 1+00



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 2.244 ACRES
ACCESS ROAD DISTURBANCE = ± 1.438 ACRES
PIPELINE DISTURBANCE = ± 1.437 ACRES
TOTAL = ± 5.119 ACRES

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	*1,660* Cu. Yds.
Remaining Location	=	*3,950* Cu. Yds.
TOTAL CUT	=	*5,610* CU.YDS.
FILL	=	*2,560* CU.YDS.

EXCESS MATERIAL	=	*3,050* Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	*3,050* Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	*0* Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

API Well Number: 43047517590000

QEP ENERGY COMPANY

TYPICAL RIG LAYOUT FOR

RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

FIGURE #3
SCALE: 1" = 50'
DATE: 03-21-11
DRAWN BY: K.O.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

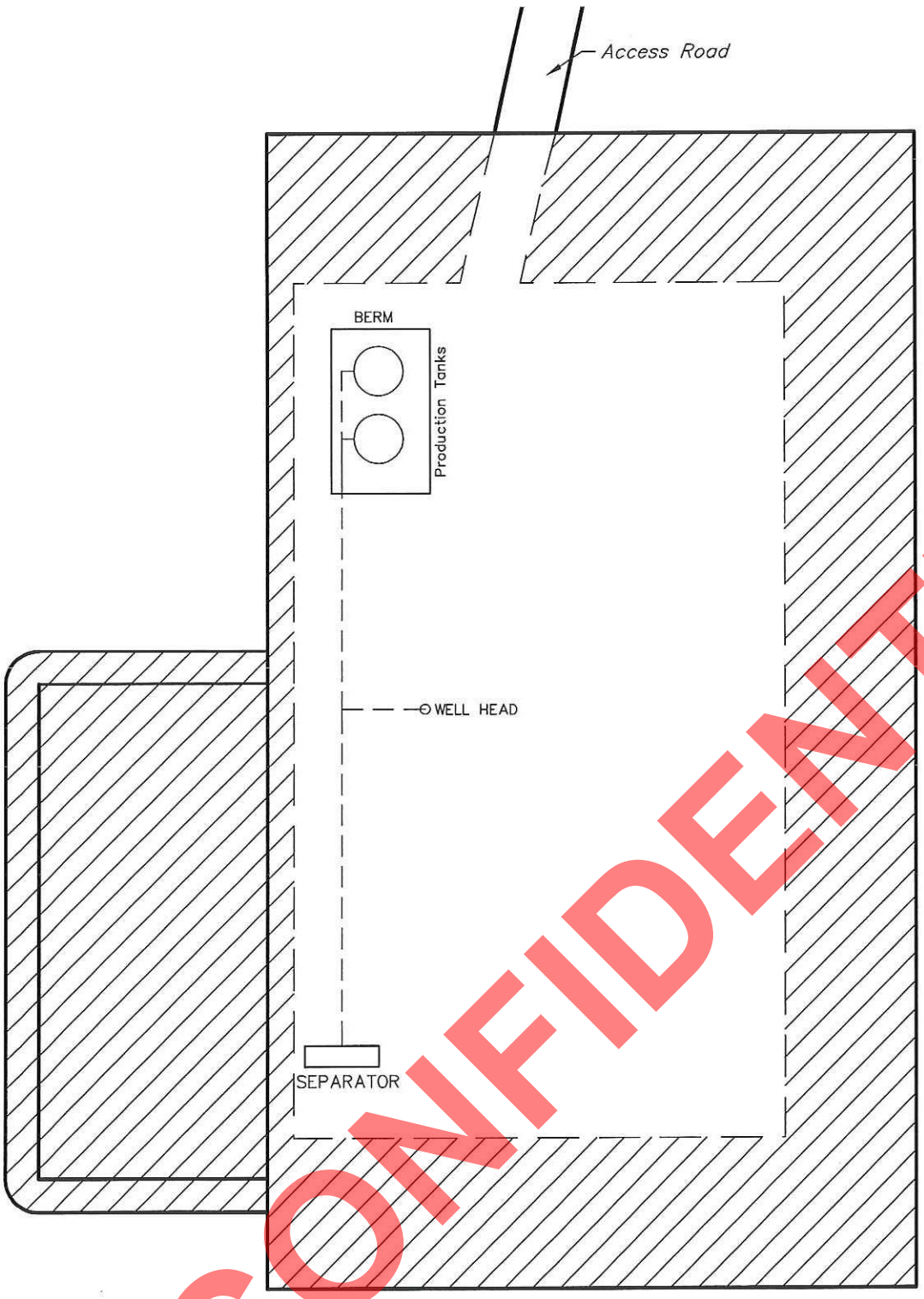
API Well Number: 43047517590000

QEP ENERGY COMPANY

PRODUCTION FACILITY LAYOUT FOR

RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

FIGURE #4
SCALE: 1" = 50'
DATE: 03-21-11
DRAWN BY: K.O.
REV: 07-07-11 J.J.



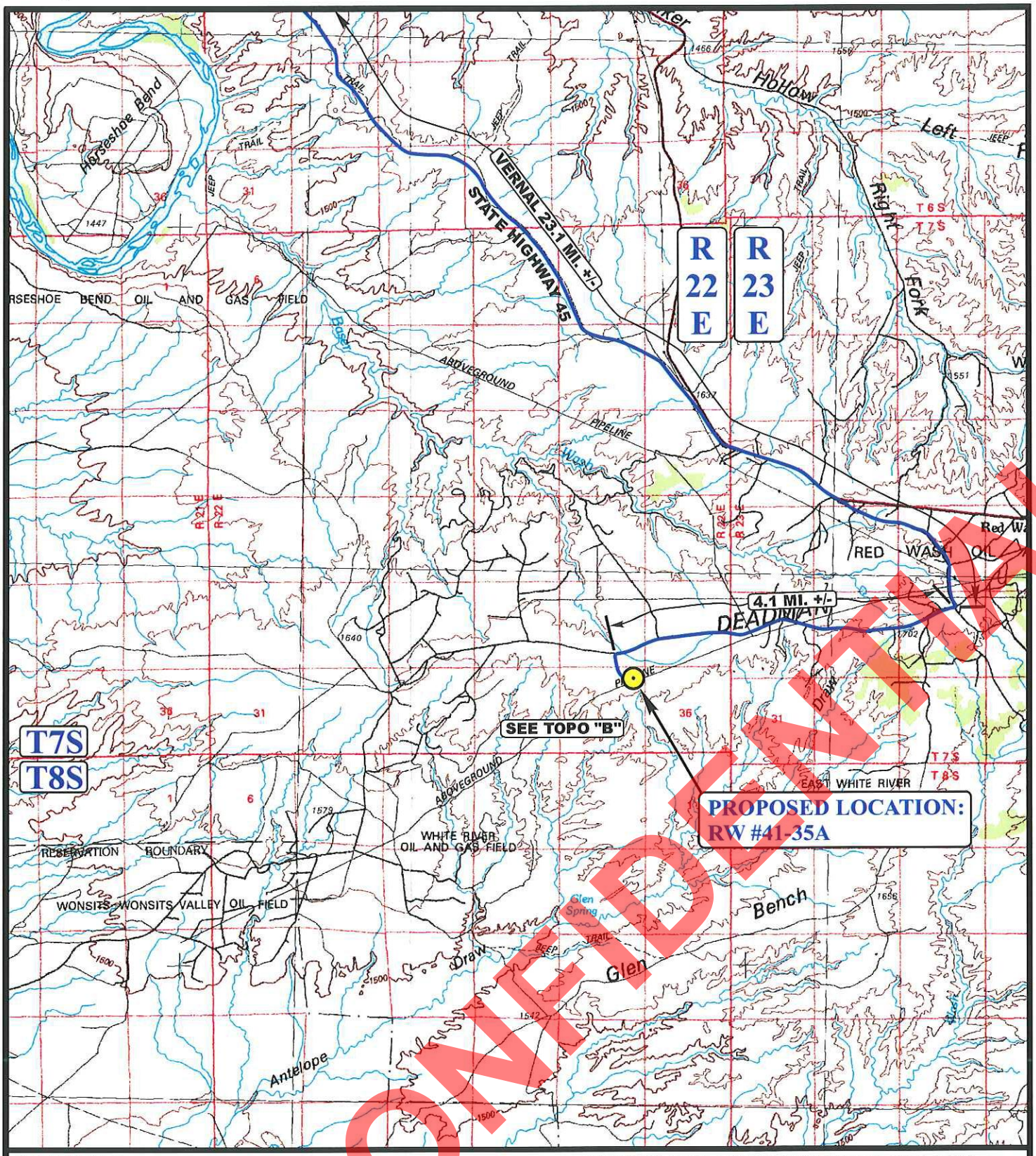
RECLAIMED AREA

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

QEP ENERGY COMPANY
RW #41-35A
SECTION 35 , T7S, R22E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 19.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 4.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 2,088' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 27.6 MILES.



LEGEND:

PROPOSED LOCATION

N

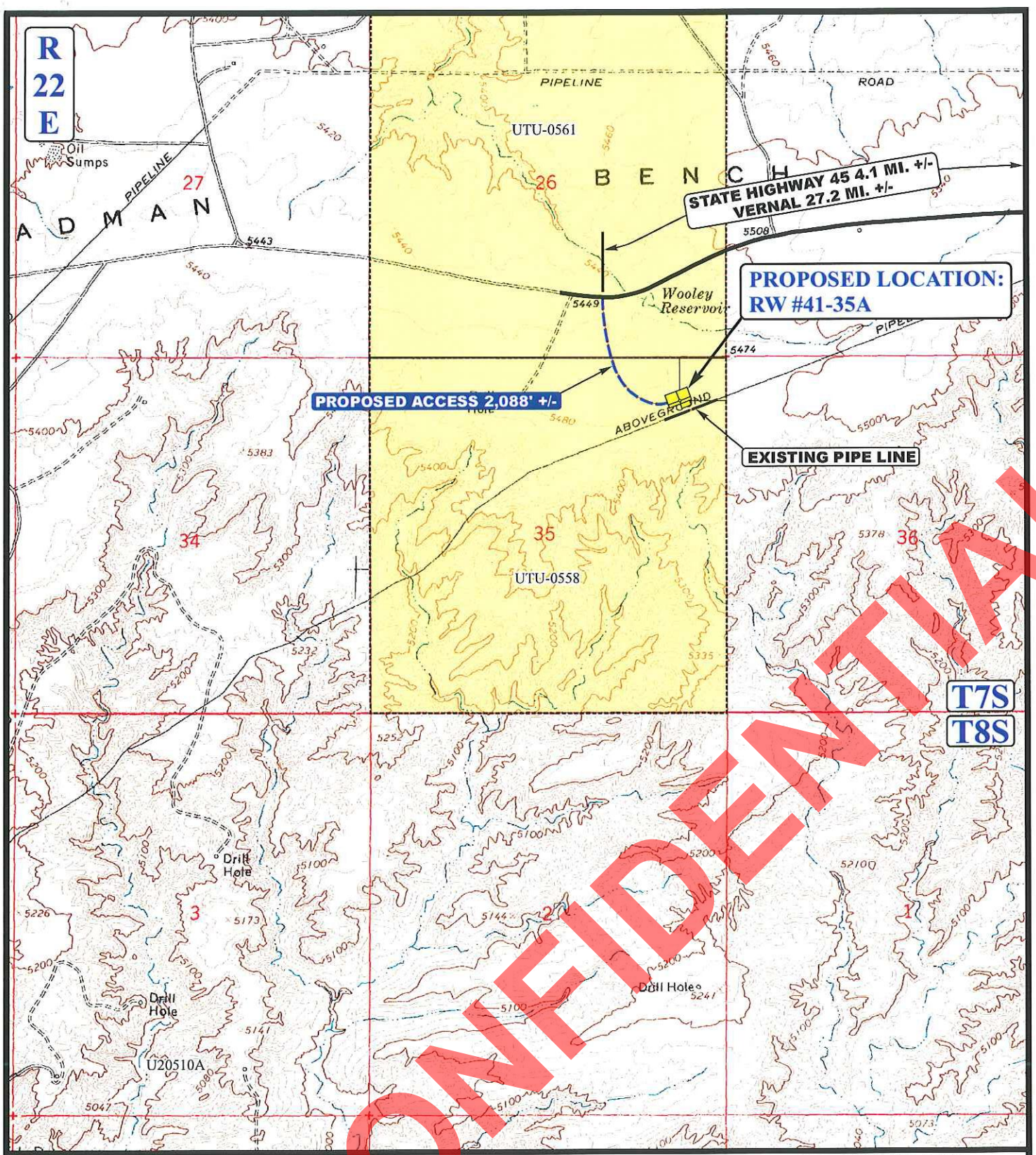
QUESTAR ENERGY COMPANY

RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	03 MONTH	24 DAY	11 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.A.G.	REVISED: 00-00-00		

API Well Number: 43047517590000



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

EXISTING PIPE LINE

N

QUESTAR ENERGY COMPANY

RW #41-35A

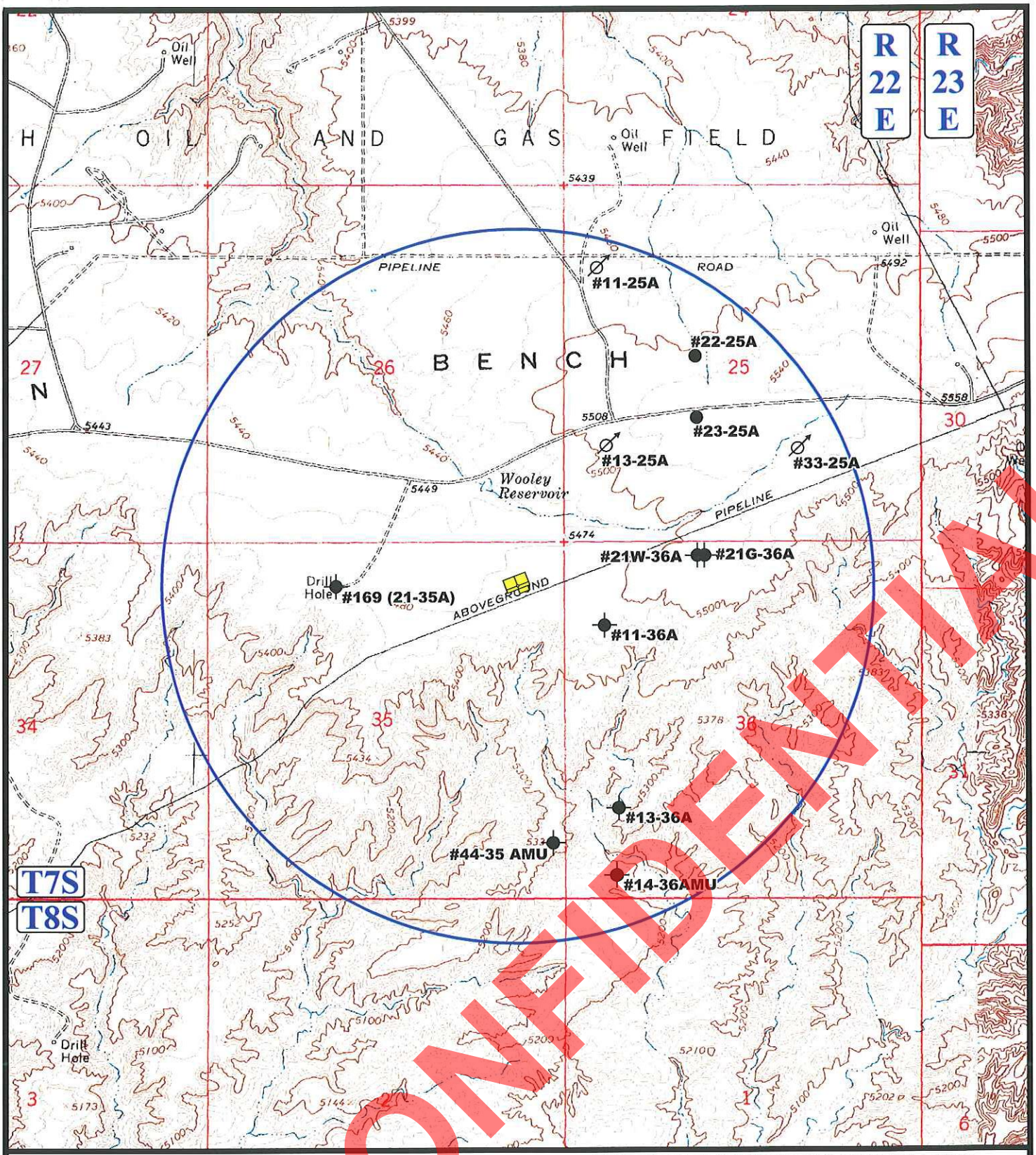
SECTION 35, T7S, R22E, S.L.B.&M.

643' FNL 693' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	03 MONTH	24 DAY	11 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.A.G.	REVISED: 00-00-00		

API Well Number: 43047517590000



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

QUESTAR ENERGY COMPANY

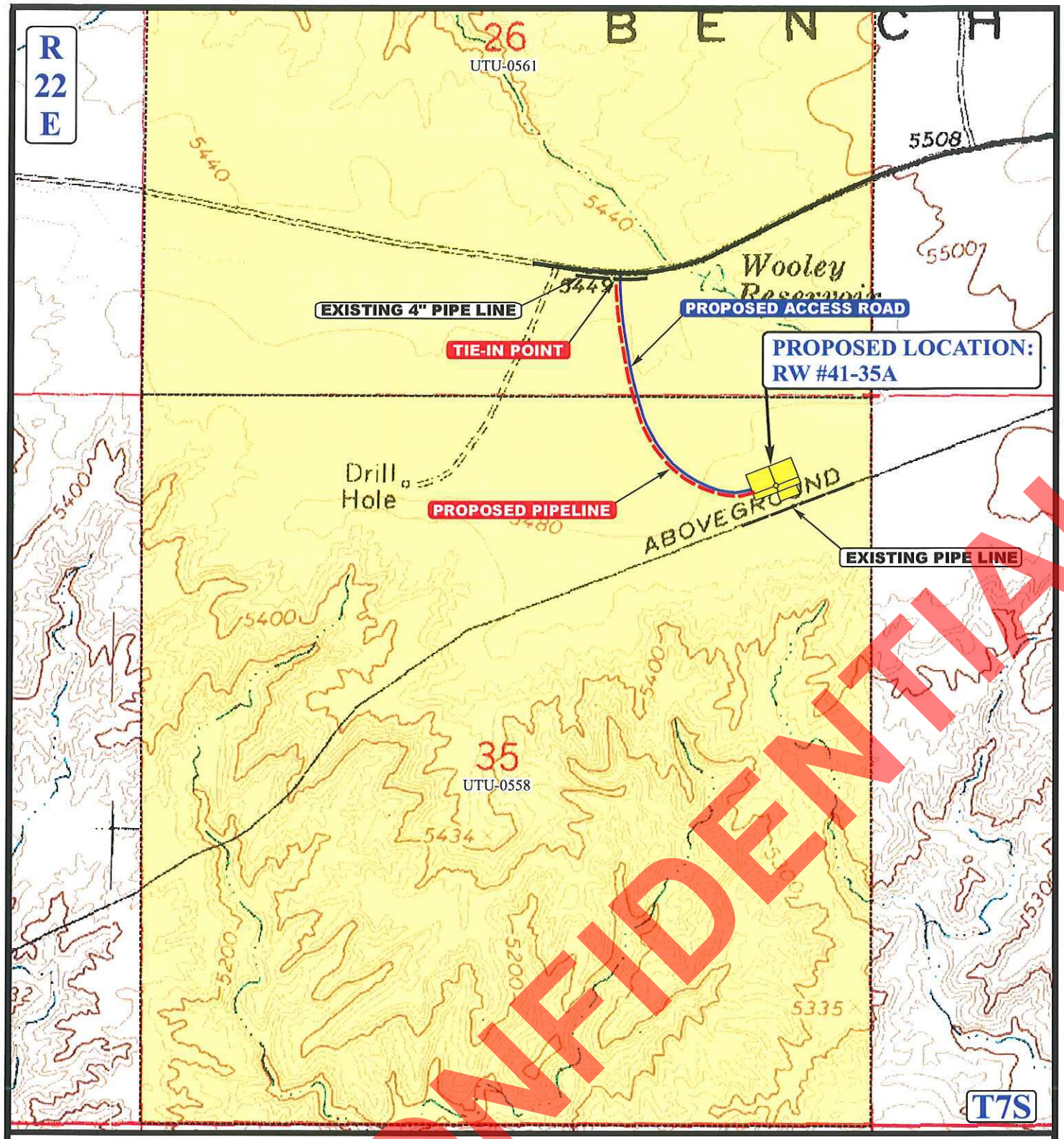
RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP | 03 MONTH | 24 DAY | 11 YEAR | C TOPO

SCALE: 1" = 2000' | DRAWN BY: C.A.G. | REVISED: 00-00-00

API Well Number: 43047517590000



APPROXIMATE TOTAL PIPELINE DISTANCE = 2,087' +/-

LEGEND:

PROPOSED ACCESS ROAD
EXISTING PIPELINE
PROPOSED PIPELINE

N

QUESTAR ENERGY COMPANY

RW #41-35A
SECTION 35, T7S, R22E, S.L.B.&M.
643' FNL 693' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	27 DAY	11 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: C.A.G.	REVISED: 00-00-00		

QEP ENERGY COMPANY

REFERENCE MAP: AREA OF VEGETATION

RW #41-35A

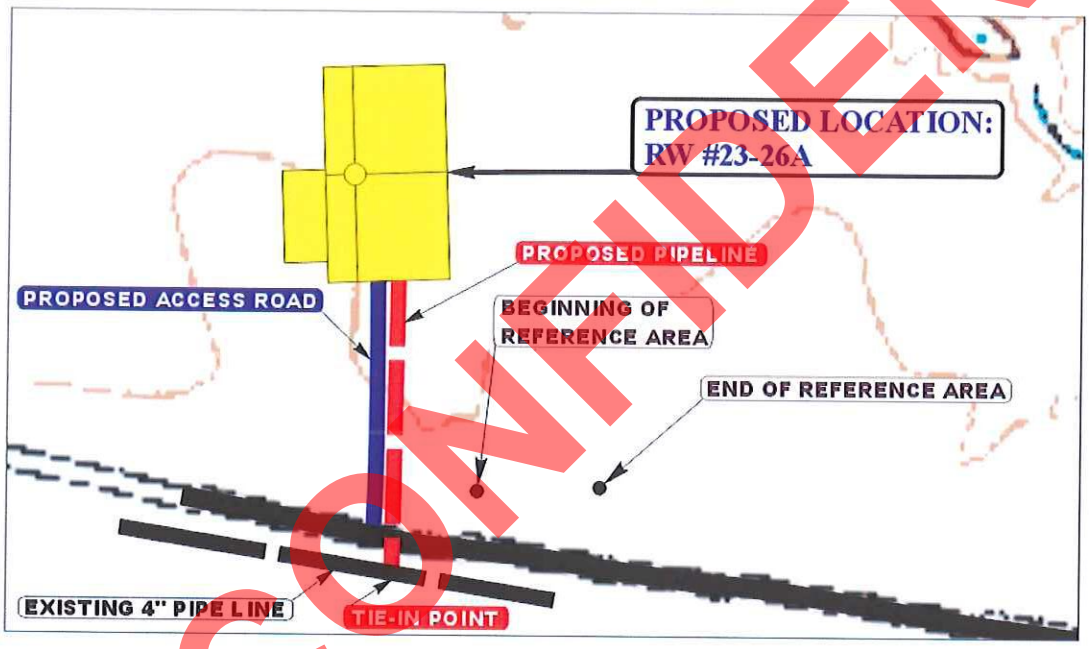
LOCATED IN UINTAH COUNTY, UTAH
SECTION 26, T7S, R22E, S.L.B.&M.

PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA

NOTE:

BEGINNING OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14595704.165
NAD 83 Z12 UTM EASTING: 2084675.463
(NAD 83) LATITUDE: 40.178478
(NAD 83) LONGITUDE: -109.409536

END OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14595655.148
NAD 83 Z12 UTM EASTING: 2084876.598
(NAD 83) LATITUDE: 40.178494
(NAD 83) LONGITUDE: -109.408819



- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

SCALE: 1" = 300'	07 MONTH	18 DAY	11 YEAR	REF.
TAKEN BY: A.F.	DRAWN BY: Z.L.	REVISED: 00-00-00		

Additional Operator Remarks

QEP Energy Company proposes drill a vertical gas well to a depth of 11,802' to test the Mesa Verde Formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Onshore Order No. 1.

Please refer to QEP Energy Company Greater Deadman Bench
EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy Company via surety as consent as provided for the 43 CFR 3104.2.

QEP ENERGY COMPANY
RW 41-35A
643' FNL 693' FEL
NENE SECTION 35, T7S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-0558

ONSHORE ORDER NO. 1
MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the RW 41-35A on July 12, 2011. Weather conditions were sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Kevin Sadlier	Bureau of Land Management
Aaron Roe	Bureau of Land Management
Holly Villa	Bureau of Land Management
Daniel Emmett	Bureau of Land Management
Brandon McDonald	Bureau of Land Management
Jan Nelson	QEP Energy Company
Stephanie Tomkinson	QEP Energy Company
Ryan Angus	QEP Energy Company
Valyn Davis	QEP Energy Company
Wade Hafey	QEP Field Service
Andy Floyd	Uintah Engineering & Land Surveying

1. Existing Roads:

The proposed well site is approximately 28 miles South of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

All existing roads will be maintained and kept in good repair during all phases of operation.

2. Planned Access Roads:

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

There will be a new access road approximately 2,088' in length, containing approximately 1.438 acres. The access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30'. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM/VFO AO. Graveling or capping the roadbed will be performed as necessary to provide a well constructed safe road. Should conditions warrant, rock, gravel or culverts will be installed as needed. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and gas Exploration and Development, Fourth Edition 2006.The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed. If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access road.

3. **Location of Existing Wells Within a 1 – Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

The following guidelines will apply if the well is productive.

A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.

All loading lines will be placed inside the berm surrounding the tank batteries.

All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the State.

It was determined on the onsite by the BLM VFO AO that the facilities will be painted Covert Green.

Refer to Topo Map D for the location of the proposed pipeline.

The proposed surface pipeline will be constructed utilizing existing disturbed areas to minimize surface disturbance. No construction activities will be allowed outside of the proposed pipeline.

Prior to construction, the Permittee will develop a plan of installation to minimize surface disturbance. Pipe will be strung along the pipeline route with either a flatbed trailer and rubber tired backhoe or a tracked typed side boom. Where surface conditions do not allow the pipe to be strung using conventional methods, the Permittee will utilize pull sections to run the fabricated pipe through the area from central staging areas along the pipeline route.

Upon completion of stringing activities the Permittee will fabricate the pipeline on wooden skids adjacent to the centerline of the pipeline route using truck mounted welding machines. All fabricated piping will be lowered off of the wooden skids and placed along the centerline. Upon completion of all activities, the wooden skids will be removed from the pipeline route using a flatbed truck or flatbed truck and trailer.

When the surface terrain prohibits the Permittee from safely installing the pipeline along the pipeline route, grading of the route will be required. Prior to installing the pipeline in these areas a plan will be developed to safely install the pipeline while minimizing grading activities and surface disturbances. Additionally, erosion control Best Management Practices will be installed as needed prior to the start of any grading activities. Surface grading will be limited to what is needed to safely install the pipeline. Track type bulldozers and track type backhoes will be utilized for grading activities.

Upon completion of the pipeline installation, the pipeline route will be restored to the pre-disturbance surface contours.

The proposed pipeline will be a surface 10" or smaller, 2,087' in length, containing 1.437 acres.

Road Crossings

Fusion Bond or concrete coated pipe will be used for all road crossings to alleviate future corrosion.

All pipe and fittings used for road crossings will be prefabricated within the proposed pipeline route to minimize the duration of open pipe trench across the roadway. Pipe used for road crossings will be isolated on each end with a flange set and insulation kit and cathodically protected with a magnesium type anode. Adequately sized equipment will be used for minor and major road crossings. Depth of cover for minor roads will be >4' and the depth of cover for major roads will be >6'.

Prior to lowering the pipe in the trench, the Permittee will "Jeep" the pipe to locate and repair any Holidays in the pipe coating. Upon lowering the pipe in the trench, 6" of bedding and a minimum of 6" of shading will be installed to protect the pipe using either native soils <1" in diameter or imported sand. Pipe trenches that extend across gravel roads will be backfilled with native soils to within 8" of the driving surface and capped with 3/4" road base. Pipe trenches that extend across asphalt paved roads will be backfilled to 4" of the driving surface with 3/4" road base and capped asphalt material.

5. **Location and Type of Water Supply:**

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Water for drilling purposes would be obtained from Wonsits Valley Water Right # A 36125 (which was filed on May 7, 1964) or Red Wash Water Right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System.

6. **Source of Construction Materials:**

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. **Methods of Handling Waste Materials:**

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

It will be determined at the on-site inspection if a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place.

No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days.

After the 90 day period, the produced water will be contained in tanks on location and then hauled by truck to one of the following pre-approved disposal sites:

Red Wash Disposal well located in the SESE, Section 28, T7S, R23E,
West End Disposal located in the NESE, Section 28, T7S, R22E.

Produced water, oil, and other byproducts will not be applied to roads or well pads for the control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

8. Ancillary Facilities:

None anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

The reserve pit.

The stockpiled topsoil will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with topsoil.

The flare pit or flare box will be located downwind from the prevailing wind direction.

Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet. All wire shall be stretched using a stretching device before it is attached to corner posts.

The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be

fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed

11. Plans for Reclamation of the Surface:

Please refer to QEP Energy Company Uinta Basin Division Reclamation Plan

Site Specific Procedures:

Site Specific Reclamation Summary:

Reclamation will follow Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 (Questar's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disked if needed.

Water courses and drainages will be restored.

Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.

Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in Questar's Reclamation Plan. A reference site has been established and is included in this application. A sundry notice (Form 3160.5), for the Weed Data Sheet will be filed at a later date.

It was determined and agreed upon that there is 6" inches of top soil.

12. Surface Ownership:

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

13. Other Information:

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on May 10, 2011, **Moac Report No. 11-075** by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

A Class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on May 30, 2011 **IPC # 11-36** by

Stephen D. Sandau. The inspection resulted in the location of no fossil resources. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP Energy Company will provide Paleo monitor if needed.

Per the onsite on July 12, 2011, the following items were requested/ discussed.

There is a Burrowing Owl Stipulation from March 1 to August 31. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

Lessee's or Operator's Representative & Certification:

Valyn Davis
Regulatory Affairs Analyst
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078
(435) 781-4331

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Valyn Davis

Valyn Davis

7/28/2011
Date

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

July 29, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2011 Plan of Development Red Wash Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2011 within the Red Wash Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ MESA VERDE)		
43-047-31581	RW 22-22A	Sec 22 T07S R22E 1745 FNL 2082 FWL
43-047-51757	RW 22-17B	Sec 17 T07S R23E 2368 FNL 1766 FWL
43-047-15252	RW 43-19B	Sec 19 T07S R23E 1995 FSL 0694 FEL
43-047-51759	RW 41-35A	Sec 35 T07S R22E 0643 FNL 0693 FEL

The RW 22-22A and 43-19B are abandoned Green River wells which will be re-entered and deepened. This office has no objection to permitting the wells at this time.

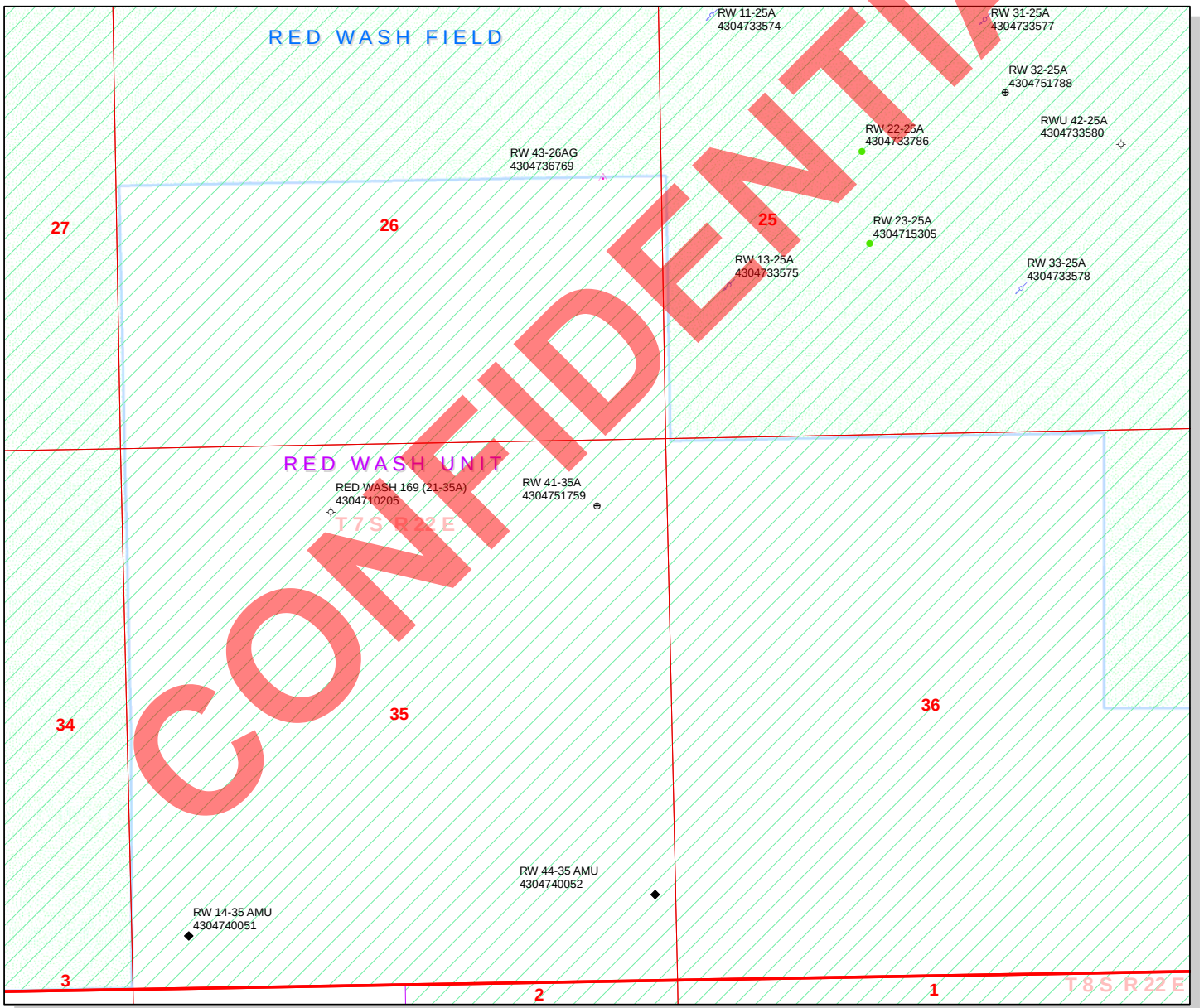
Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.07.29 10:09:10 -06'00'

bcc: File - Red Wash Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:7-29-11

API Well Number: 43047517590000



API Number: 4304751759

Well Name: RW 41-35A

Township T0.7 . Range R2.2 . Section 35

Meridian: SLBM

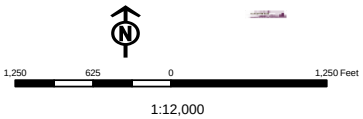
Operator: QEP ENERGY COMPANY

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
STATUS
- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED
- Sections
- Township

Wells Query
Status
- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LA - Location Abandoned
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- RET - Returned APD
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well



1:12,000

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/28/2011
API NO. ASSIGNED: 43047517590000
WELL NAME: RW 41-35A
OPERATOR: QEP ENERGY COMPANY (N3700)
PHONE NUMBER: 435 781-4369
CONTACT: Valyn Davis

PROPOSED LOCATION: NENE 35 070S 220E
Permit Tech Review: ☑

SURFACE: 0643 FNL 0693 FEL
Engineering Review: ☐

BOTTOM: 0643 FNL 0693 FEL
Geology Review: ☑

COUNTY: UINTAH
LATITUDE: 40.17350
LONGITUDE: -109.39950
UTM SURF EASTINGS: 636278.00
NORTHINGS: 4448032.00
FIELD NAME: UNDESIGNATED
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU0558
PROPOSED PRODUCING FORMATION(S): MESA VERDE
SURFACE OWNER: 1 - Federal
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** FEDERAL - ESB000024
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** A-36125/ 49-2153
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: RED WASH

- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: Cause 187-07
Effective Date: 9/18/2001
Siting: Suspends General Siting

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Permit To Drill

****

Well Name: RW 41-35A
API Well Number: 43047517590000
Lease Number: UTU0558
Surface Owner: FEDERAL
Approval Date: 8/2/2011

Issued to:
QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

Authority:
Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 187-07. The expected producing formation or pool is the MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month

API Well No: 43047517590000

- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

Form 3160-3
(August 2007)

UDOGM

RECEIVED
JUL 29 2011
BLM

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

CONFIDENTIAL

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. UTU0558
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No. 892000761X
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. RW 41-35A
2. Name of Operator QEP ENERGY COMPANY Contact: VALYN DAVIS E-Mail: Valyn.Davis@qepres.com	9. API Well No. 43 047 51759
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078 / 3b. Phone No. (include area code) Ph: 435-781-4369 Fx: 435-781-4395	10. Field and Pool, or Exploratory RED WASH
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface NENE 643FNL 693FEL 40.173467 N Lat, 109.400256 W Lon At proposed prod. zone NENE 643FNL 693FEL 40.173467 N Lat, 109.400256 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 T7S R22E Mer SLB
14. Distance in miles and direction from nearest town or post office* 28	12. County or Parish UINTAH / 13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 643 / 16. No. of Acres in Lease 2560.00	17. Spacing Unit dedicated to this well 40.00
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1150 / 19. Proposed Depth 11802 MD 11802 TVD	20. BLM/BIA Bond No. on file ESB000024
21. Elevations (Show whether DF, KB, RT, GL, etc. 5483 GL / 22. Approximate date work will start 01/01/2012	23. Estimated duration 30 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) VALYN DAVIS Ph: 435-781-4369	Date 07/28/2011
Title REGULATORY AFFAIRS ANALYST		
Approved by (Signature)	Name (Printed/Typed) Jerry Kenczka	FEB 27 2012
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. **CONDITIONS OF APPROVAL ATTACHED**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #114120 verified by the BLM Well Information System
For QEP ENERGY COMPANY, sent to the Vernal
Committed to AFMSS for processing by LESLIE ROBINSON on 08/02/2011 ()

NOTICE OF APPROVAL

RECEIVED
MAR 01 2012
DIV. OF OIL, GAS & MINING

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-440

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**QEP Energy Company**	**Location:**	**NENE, Sec. 35, T7S, R22E**
Well No:	**RW 41-35A**	**Lease No:**	**UTU-0558**
API No:	**43-047-51759**	**Agreement:**	**Red Wash Unit**

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.

- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

CONDITIONS OF APPROVAL:

- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were brought in from areas outside the Uinta Basin, to prevent weed seed introduction.

- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established.

- Reclamation will be completed in accordance with the Questar Exploration and Production Company, Uintah Basin Division's Reclamation Plan on file with the Vernal Field Office of the BLM.

- In the event historic or archaeological resources are uncovered during construction, work will stop immediately and the appropriate BLM AO will be notified.

- If paleontologic resources are uncovered during construction activities, the operator shall immediately suspend all operations that will further disturb such resources, and immediately notify the Authorized Officer (AO). The AO will arrange for a determination of significance and, if necessary, recommend a recovery or avoidance plan.

- Scientifically important fossils were found at well sites, RW 22-17B (IPC #11-22, June 3, 2011) and RW 34-14A(IPC #11-60, July 7, 2011). Due to the number of fossils found during the survey for RW-22-17B, a permitted paleontologist will be present to monitor the beginning of the construction process for the well pad, and thereafter conduct a spot monitor as determined by the permitted paleontologist. For well location RW-34-14A, a permitted paleontologist will be required to monitor all construction.

- QEP has agreed not to construct or drill during the following dates, unless otherwise approved by the BLM Authorized Officer.

Well Name	Burrowing Owl March 1 to August 31	Red Tailed Hawk March 1 to August 15	Ferruginous Hawk March 1 to August 1	Golden Eagle January 1 to August 31
RW 12-29B	Yes	Yes	No	No
RW 22-17B	No	No	No	No
RW 22-22A	No	No	No	No
RW 32-25A	No	No	No	No
RW 32-29A	No	No	Yes	No
RW 33-20A	Yes	Yes	No	Yes
RW 34-14A	No	Yes	No	No
RW 41-35A	Yes	No	No	No
RW 43-13A	No	No	No	No
RW 43-19B	No	No	No	No

- All internal combustion equipment will be kept in good working order.
- Water or other approved dust suppressants will be used at construction sites and along roads, as determined appropriate by the Authorized Officer.
- Open burning of garbage or refuse will not occur at well sites or other facilities.
- Drill rigs will be equipped with Tier II or better diesel engines.
- Low bleed pneumatics will be installed on separator dump valves and other controllers. The use of low bleed pneumatics would result in a lower emission of VOCs.
- During completion, flaring will be limited as much as possible. Production equipment and gathering lines will be installed as soon as possible.
- Well site telemetry will be utilized as feasible for production operations.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding.
- The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.

- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
    - do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
    - limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
    - limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.

- Screen all pump intakes with 3/32" mesh material.

- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).

- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

    Northeastern Region
    152 East 100 North, Vernal, UT 84078
    Phone: (435) 781-9453

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Drilling operations shall meet the requirements of Onshore Order #2.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.
    - Well name and number.
    - Well location (¼¼, Sec., Twn, Rng, and P.M.).
    - Date well was placed in a producing status (date of first production for which royalty will be paid).
    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
    - Unit agreement and/or participating area name and number, if applicable.
    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER:
UTU0558

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:
RED WASH

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
RW 41-35A

2. NAME OF OPERATOR:
QEP ENERGY COMPANY

9. API NUMBER:
43047517590000

3. ADDRESS OF OPERATOR:
11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER:
303 308-3068 Ext

9. FIELD and POOL or WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0643 FNL 0693 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NENE Section: 35 Township: 07.0S Range: 22.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/2/2013	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL.

Approved by the Utah Division of Oil, Gas and Mining

Date: August 06, 2012

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Valyn Davis	435 781-4369	Regulatory Affairs Analyst
SIGNATURE		**DATE**
N/A		8/2/2012

RECEIVED: Aug. 02, 2012

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047517590000

API: 43047517590000
Well Name: RW 41-35A
Location: 0643 FNL 0693 FEL QTR NENE SEC 35 TWNP 070S RNG 220E MER S
Company Permit Issued to: QEP ENERGY COMPANY
Date Original Permit Issued: 8/2/2011

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ Yes ◉ No
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ Yes ◉ No
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ Yes ◉ No
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ Yes ◉ No
- **Has the approved source of water for drilling changed?** ○ Yes ◉ No
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ Yes ◉ No
- **Is bonding still in place, which covers this proposed well?** ◉ Yes ○ No

Signature: Valyn Davis **Date:** 8/2/2012
Title: Regulatory Affairs Analyst **Representing:** QEP ENERGY COMPANY

RECEIVED: Aug. 02, 2012

Sundry Number: 31074 API Well Number: 43047517590000

FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0558

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: RED WASH

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: RW 41-35A

2. NAME OF OPERATOR: QEP ENERGY COMPANY

9. API NUMBER: 43047517590000

3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER: 303 308-3068 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0643 FNL 0693 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 35 Township: 07.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/15/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP ENERGY COMPANY WOULD LIKE TO OPTIMIZE THE BOTTOM HOLE SPACING OF THE MESA VERDE DEVELOPMENT, THEREFORE, QEP ENERGY COMPANY WOULD LIKE TO DRILL THIS WELL DIRECTIONALLY.

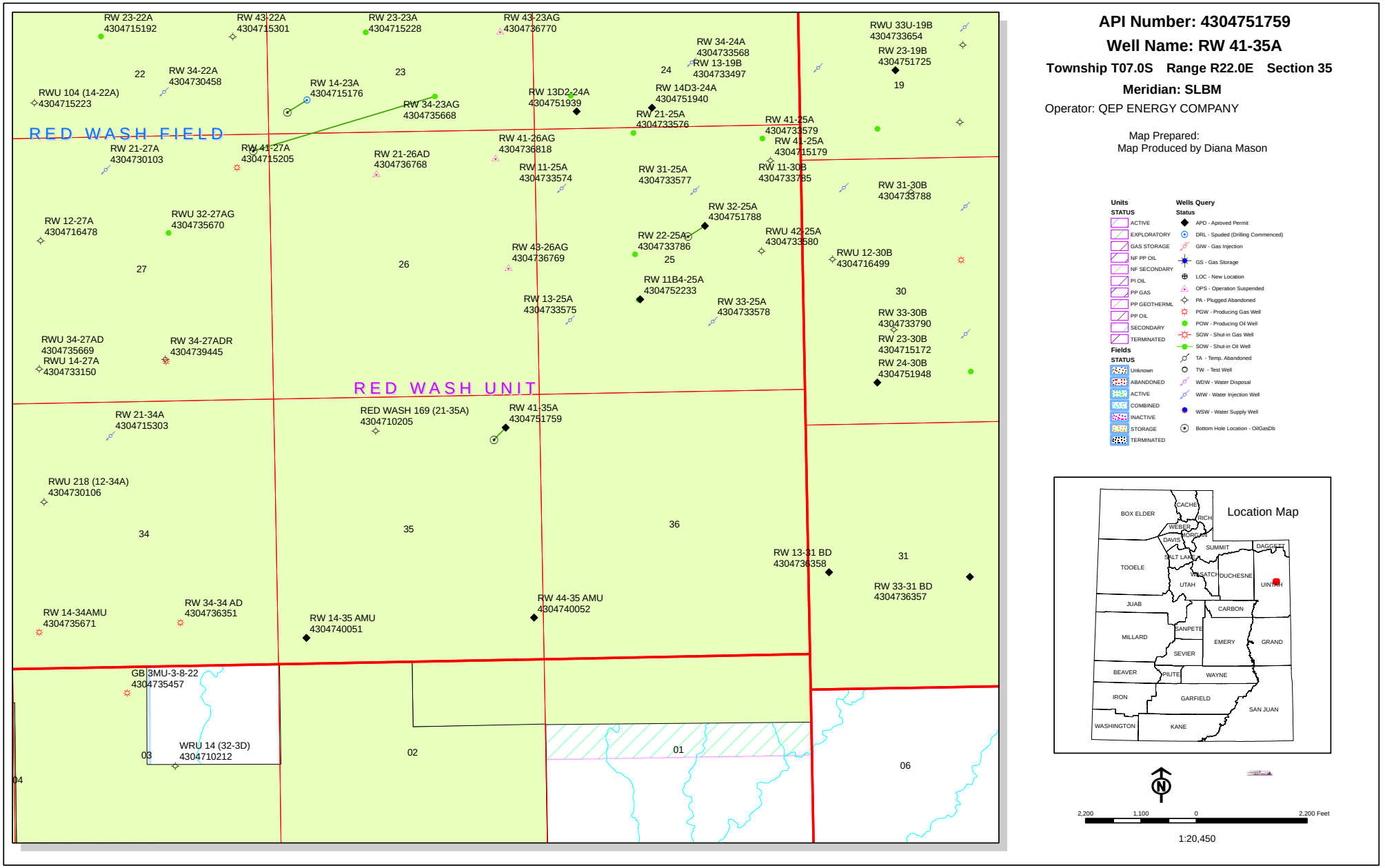
Approved by the Utah Division of Oil, Gas and Mining

Date: October 29, 2012

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Valyn Davis	435 781-4369	Regulatory Affairs Analyst
SIGNATURE N/A		**DATE** 10/15/2012

RECEIVED: Oct. 15, 2012



API Number: 4304751759

Well Name: RW 41-35A

Township T07.0S Range R22.0E Section 35

Meridian: SLBM

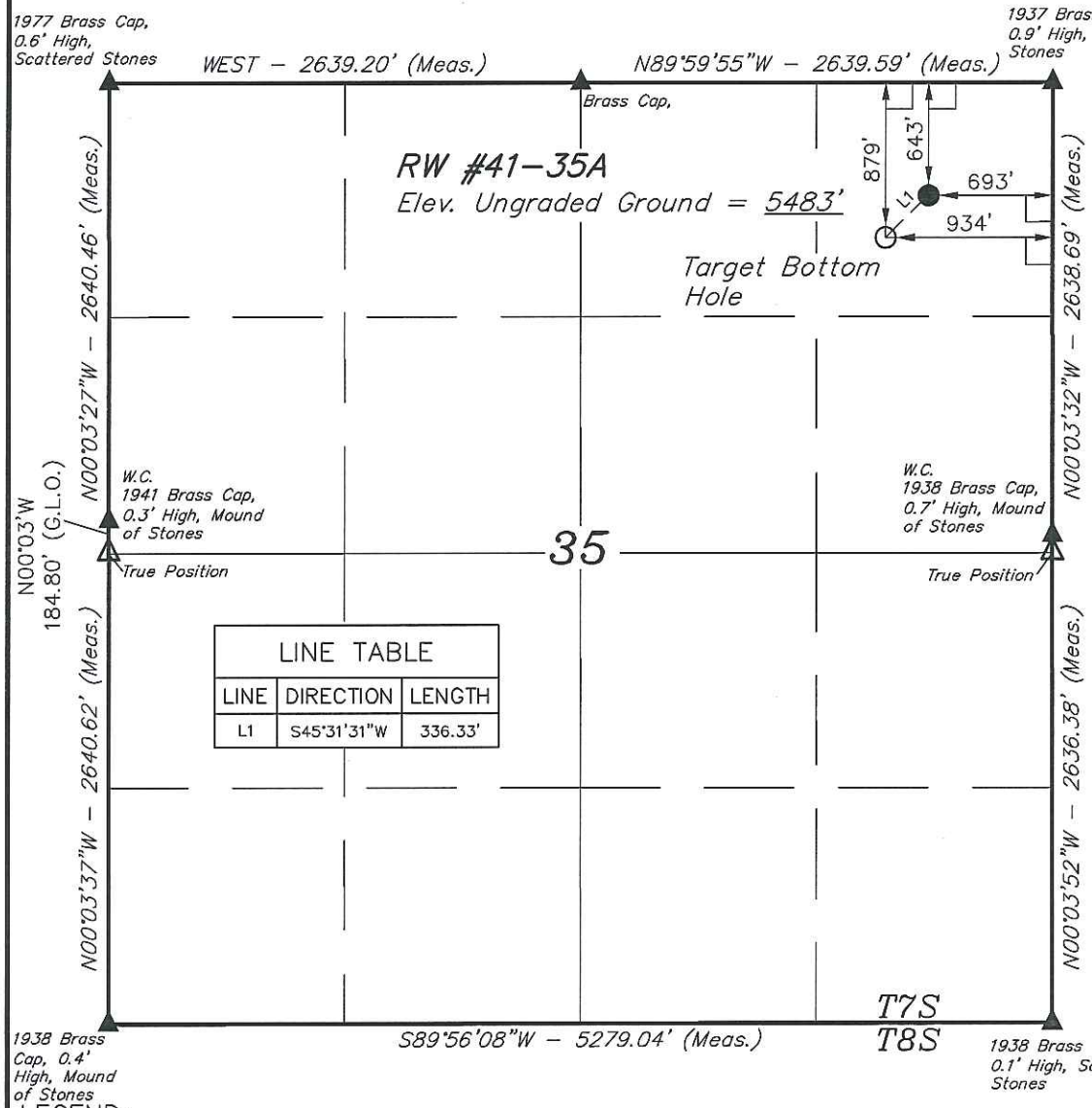
Operator: QEP ENERGY COMPANY

Map Prepared:
Map Produced by Diana Mason

1:20,450

RECEIVED: Oct. 24, 2012

T7S, R22E, S.L.B.&M.



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S45°31'31"W	336.33'

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

△ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground.)

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 40°10'22.15" (40.172819)	LATITUDE = 40°10'24.48" (40.173467)
LONGITUDE = 109°24'04.01" (109.401114)	LONGITUDE = 109°24'00.92" (109.400256)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 40°10'22.28" (40.172856)	LATITUDE = 40°10'24.61" (40.173503)
LONGITUDE = 109°24'01.55" (109.400431)	LONGITUDE = 109°23'58.45" (109.399569)

QEP ENERGY COMPANY

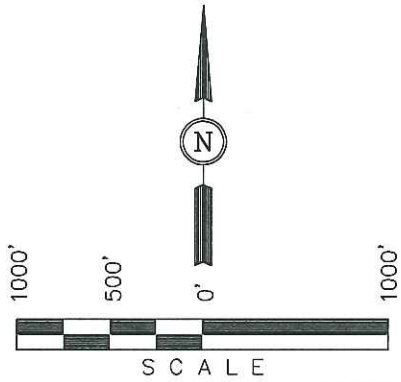
Well location, RW #41-35A, located as shown in the NE 1/4 NE 1/4 of Section 35, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH 10-11-12

REV.: 10-09-12 J.I.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	03-18-11	03-21-11
PARTY: A.F. J.C. K.O.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: QEP ENERGY COMPANY	

QEP Energy Company

QEP ENERGY (UT)

Red Wash
RW 41-35A
RW 41-35A

Original Hole

Plan: Plan ver.0

Standard Planning Report

01 October, 2012

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well RW 41-35A
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5496.10usft (AZTEC 781)
Project:	Red Wash	**MD Reference:**	RKB @ 5496.10usft (AZTEC 781)
Site:	RW 41-35A	**North Reference:**	True
Well:	RW 41-35A	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan ver.0		

Project	Red Wash		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		Using geodetic scale factor

Site	RW 41-35A				
Site Position:		**Northing:**	7,238,796.950 usft	**Latitude:**	40.173467
From:	Lat/Long	**Easting:**	2,227,093.073 usft	**Longitude:**	-109.400256
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	1.35 °

Well	RW 41-35A					
Well Position	**+N/-S**	0.00 usft	**Northing:**	7,238,796.946 usft	**Latitude:**	40.173467
	+E/-W	0.00 usft	**Easting:**	2,227,093.073 usft	**Longitude:**	-109.400256
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	5,482.10 usft	**Ground Level:**	5,482.10 usft

Wellbore	Original Hole			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010	10/1/2012	10.89	66.00	52,304

Design	Plan ver.0				
Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00
Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**	
	0.00	0.00	0.00	225.52	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,428.97	8.58	248.20	1,427.37	-11.91	-29.76	2.00	2.00	0.00	248.20	
3,454.44	8.58	248.20	3,430.17	-124.13	-310.31	0.00	0.00	0.00	0.00	
4,026.40	0.00	0.00	4,000.00	-140.00	-350.00	1.50	-1.50	0.00	180.00	
9,322.40	0.00	0.00	9,296.00	-140.00	-350.00	0.00	0.00	0.00	0.00	
9,555.74	3.50	131.00	9,529.19	-144.67	-344.62	1.50	1.50	0.00	131.00	
11,826.78	3.50	131.00	11,796.00	-235.63	-239.99	0.00	0.00	0.00	0.00	

QEP Energy Company

QEP Resources, Inc.
Planning Report

QEP Energy Company

Database:	EDMDB_QEP	**Local Co-ordinate Reference:**	Well RW 41-35A
Company:	QEP ENERGY (UT)	**TVD Reference:**	RKB @ 5496.10usft (AZTEC 781)
Project:	Red Wash	**MD Reference:**	RKB @ 5496.10usft (AZTEC 781)
Site:	RW 41-35A	**North Reference:**	True
Well:	RW 41-35A	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan ver.0		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,428.97	8.58	248.20	1,427.37	-11.91	-29.76	29.58	2.00	2.00	0.00
3,454.44	8.58	248.20	3,430.17	-124.13	-310.31	308.39	0.00	0.00	0.00
4,026.40	0.00	0.00	4,000.00	-140.00	-350.00	347.83	1.50	-1.50	0.00
9,322.40	0.00	0.00	9,296.00	-140.00	-350.00	347.83	0.00	0.00	0.00
9,555.74	3.50	131.00	9,529.19	-144.67	-344.62	347.27	1.50	1.50	0.00
11,826.78	3.50	131.00	11,796.00	-235.63	-239.99	336.33	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
RW 41-35A (1C1-35A)	0.00	0.00	9,296.00	-184.34	-299.07	7,238,605.653	2,226,798.439	40.172961	-109.401326
- plan misses target center by 67.56usft at 9324.46usft MD (9298.06 TVD, -140.00 N, -350.00 E)									
- Circle (radius 100.00)									

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
4,086.40	4,060.00	9 5/8"	9-5/8	12-1/4

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
3,126.60	3,106.00	Green River		0.00	
4,032.40	4,006.00	Mahog. Bench		0.00	
6,632.40	6,606.00	Wasatch		0.00	
9,322.40	9,296.00	Mesaverde		0.00	
11,726.60	11,696.00	Sego		0.00	

Company Name: QEP ENERGY (UT)

QEP Energy Company

Azimuths to True North	Project: Red Wash
Magnetic North: 10.89°	Site: RW 41-35A
Magnetic Field	Well: RW 41-35A
Strength: 52303.6snT	Wellbore: Original Hole
Dip Angle: 66.00°	Design: Plan ver.0
Date: 10/1/2012	
Model: IGRF2010	

WELL DETAILS: RW 41-35A

Ground Level: 5482.10

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7238796.946	2227093.073	40.173467	-109.400256	

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well RW 41-35A, True North
Vertical (TVD) Reference: RKB @ 5496.10usft (AZTEC 781)
Section (VS) Reference: Slot - (0.00N, 0.00E)
Measured Depth Reference: RKB @ 5496.10usft (AZTEC 781)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Red Wash

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

System Datum: Mean Sea Level

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
RW 41-35A (1C1-35A)	9296.00	-184.34	-299.07	7238605.653	2226798.439	Circle (Radius: 100.00)

SECTION DETAILS

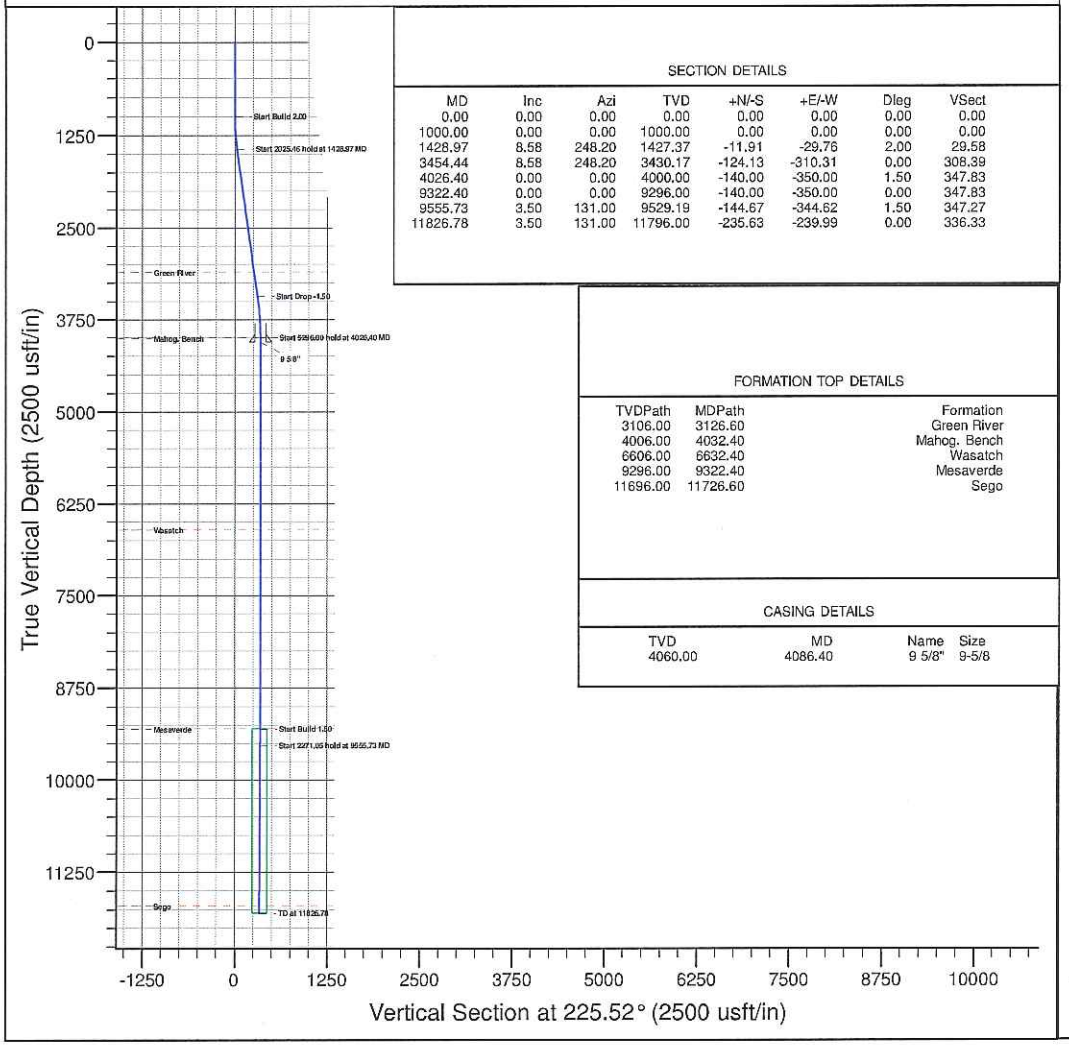
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00
1428.97	8.58	248.20	1427.37	-11.91	-29.76	2.00	29.58
3454.44	8.58	248.20	3430.17	-124.13	-310.31	0.00	308.39
4026.40	0.00	0.00	4000.00	-140.00	-350.00	1.50	347.83
9322.40	0.00	0.00	9296.00	-140.00	-350.00	0.00	347.83
9555.73	3.50	131.00	9529.19	-144.67	-344.62	1.50	347.27
11826.78	3.50	131.00	11796.00	-235.63	-239.99	0.00	336.33

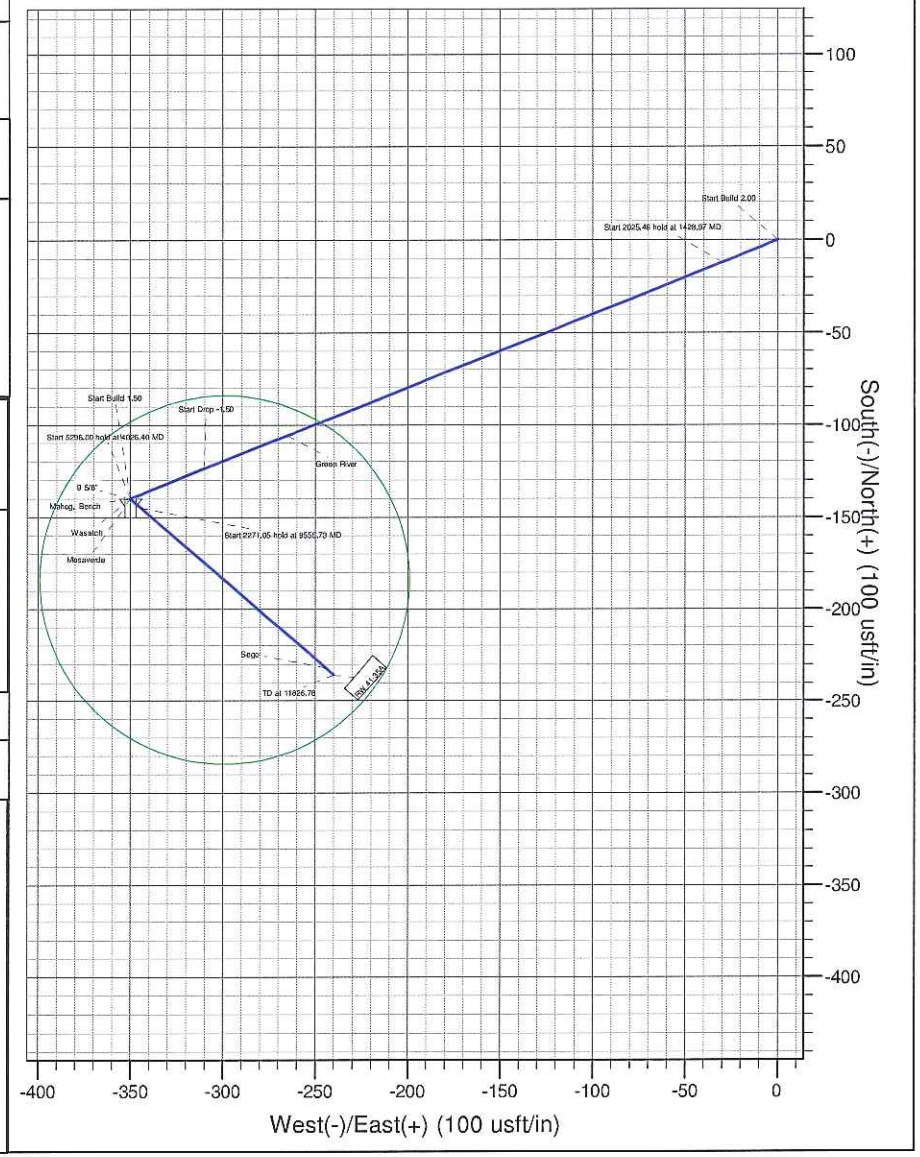
FORMATION TOP DETAILS

TVDPath	MDPath	Formation
3106.00	3126.60	Green River
4006.00	4032.40	Mahog. Bench
6606.00	6632.40	Wasatch
9296.00	9322.40	Mesaverde
11696.00	11726.60	Sego

CASING DETAILS

TVD	MD	Name	Size
4060.00	4086.40	9 5/8"	9-5/8





Sundry Number: 31074 API Well Number: 43047517590000

QEP Energy Company

11002 East 17500 South
Vernal, UT 84078
Telephone 435-781-4331
Fax 435-781-4395

October 15, 2012

Ms. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: Directional Drilling R649-3-11
Red Wash Unit
RW 41-35A
643' FNL 693' FEL, NENE, Section 35, T7S, R22E (Surface)
879' FNL 934' FEL, NENE, Section 35, T7S, R22E (Bottom Hole)
Uintah County, Utah

Dear Ms. Mason:

Pursuant to the filing of QEP Energy Company Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649 -3-11 pertaining to the location and drilling of a directional well.

QEP Energy Company would like to optimize the bottom hole spacing of the Mesa Verde development; therefore, QEP Energy Company would like to drill this well directionally.

Furthermore, QEP Energy Company certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information QEP Energy Company requests the permit be granted pursuant to Rule R649-3-11.

Sincerely,

QEP Energy Company

Valyn Davis
Regulatory Affairs Analyst

Sundry Number: 37860 API Well Number: 43047517590000

FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0558

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: RED WASH

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: RW 41-35AGR

2. NAME OF OPERATOR: QEP ENERGY COMPANY

9. API NUMBER: 43047517590000

3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER: 303 308-3068 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0643 FNL 0693 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 35 Township: 07.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/14/2013	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well was originally approved to the Mesa Verde Formation. QEP Energy Company is proposing to drill this well to the Green River Formation. The proposed changes require a change in the casing, cement and TD. Attached is a new 8-point drilling plan showing the proposed changes. This action requires no additional surface disturbance. Please change the status of this well from Gas to Oil. QEP proposes to change the well name from RW 41-35A to RW 41-35AGR.

Approved by the Utah Division of Oil, Gas and Mining

Date: May 14, 2013

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jan Nelson	435 781-4331	Permit Agent
SIGNATURE N/A		**DATE** 5/13/2013

RECEIVED: May. 13, 2013

QEP Energy Company

RW 41-35AGR
New Vertical Well
Summarized Procedure

1. MIRU.
2. Drill 12 ¼" surface hole to 500'.
3. Run 8 5/8", 28#, HCK-55, STC casing and cement to surface.
4. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
5. PU straight hole BHA, drill out surface casing and 10' of new formation, run FIT.
6. Drill 7 7/8" hole to 6,553'.
7. TOOH, MIRU Loggers.
8. Log from surface casing to TD.
9. RDMO Loggers.
10. TIH, Circulate.
11. TOOH & LDDP.
12. PU and run 5 1/2", 17.0#, N-80, LTC casing to TD, cement casing.
13. ND BOP's.
14. RDMOL.

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth
Duchesne	Surface
Green River	3,083'
Bird's Nest	3,603'
Mahogany Bench	3,936'
TD	6,553'

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Oil	Green River	5,853'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

A. A 3,000 psi double gate, 3,000 psi annular BOP (schematic included) from surface casing point to total depth.

B. Functional test daily.

C. All BOP connections subject to pressure shall be flanged, welded or clamped.

D. Kill line (2" min), 2 choke line valves (3" min), choke line (3" min), 2 kill line valves (2" min) and a check valve, 2 chokes with one remotely controlled from rig floor and a pressure gauge on choke manifold.

E. Upper and Lower Kelly cock valves with handles and safety valve and subs to fit all drill string connections.

F. IBOP or float sub available.

G. Fill up line must be installed above the uppermost preventer.

H. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.

I. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc…, for a 3M system and individual components shall be operable as designed.

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

DRILLING PROGRAM

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	MW
17-1/2""	14"	sfc	90'	Steel	Cond.	None	Used	Air
12-1/4"	8-5/8"	sfc	500'	28.0	HCK-55	STC	New	Air
7-7/8"	5-1/2"	sfc	6,553'	17.0	N-80	LTC	New	8-9.5 ppg

Casing Strengths:				Collapse	Burst	Tensile (min)
8-5/8"	28.0 lb.	HCK-55	STC	2,410 psi	3,390 psi	335,000 lb.
5-1/2"	17.0 lb.	N-80	LTC	6,290 psi	7,740 psi	348,000 lb.

MINIMUM DESIGN FACTORS:

COLLAPSE: 1.125
BURST: 1.10
TENSION: 1.80

Area Fracture Gradient: 0.65 psi/foot
Maximum anticipated mud weight: 9.5 ppg
Maximum surface treating pressure: 4,000 psi
Over pull margin (minimum): 100,000 lbs

5. Cementing Program

14" Conductor:
Cement to surface with construction cement.

8-5/8" Surface Casing: sfc – 500' (MD)

Tail Slurry: 0' – 500'. 310 sks (413 cu ft) Premium Plus – Type III + 2% Calcium Chloride + 0.125 lb/sk Poly-E-Flake. Slurry wt: 14.8 ppg, Slurry yield: 1.35 ft^3/sk, Slurry volume: 12-1/4" to TD and hole + 100% excess.

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

DRILLING PROGRAM

5-1/2" Production Casing: sfc – 6,553' (MD)
Lead Slurry: 0' – 4,593'. 331 sks (975cu ft) Extendacem cement + 3.0 lb/sk Kol-Seal. Slurry wt: 11.0 ppg, Slurry yield: 2.95 ft^3/sk, Slurry volume: 7-7/8" hole + 25% excess in open hole section.
Tail Slurry: 4,593' – 6,553'. 287 sks (424 cu ft) BONDCEM V1 + 0.2% HR-5 + 3.0 b/sk Kol-Seal + 0.125 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: 1.48 ft^3/sk, Slurry volume: 7-7/8" hole + 25% excess.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

6. Auxiliary Equipment

A. Kelly Cock – yes

B. Float at the bit – no

C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show

D. Full opening safety valve on the rig floor – yes

E. Rotating Head – yes

F. Request for Variance

Possibility of drilling surface hole with air or aerated fluid:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 50' into the Mahogany Bench formation and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
2. **Blooie line discharge 100 feet from wellbore and securely anchored** – the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.

DRILLING PROGRAM

3. **Automatic igniter or continuous pilot light on blooie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
4. **Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
5. **Well Kill Fluid** – A suitable amount of water and weighting agents will be available in the reserve pit during air drilling operations to kill the well, if necessary. No overpressured zones are expected in the area.
6. **Deflector on the end of the blooie line** – Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.

G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

H. Drilling below the 8-5/8" casing will be done with water based mud. Maximum anticipated mud weight is 9.5 ppg.

I. No minimum quantity of weight material will be required to be kept on location.

J. Gas detector will be used from surface casing depth to TD.

Gas detector will be used from surface casing depth to TD.

7. **Testing, logging and coring program**

A. Cores – none anticipated

B. DST – none anticipated

DRILLING PROGRAM

C. Logging – Mud logging –Surf Casing to TD
GR-SP-Induction, Neutron Density

D. Formation and Completion Interval: Green River intervals, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

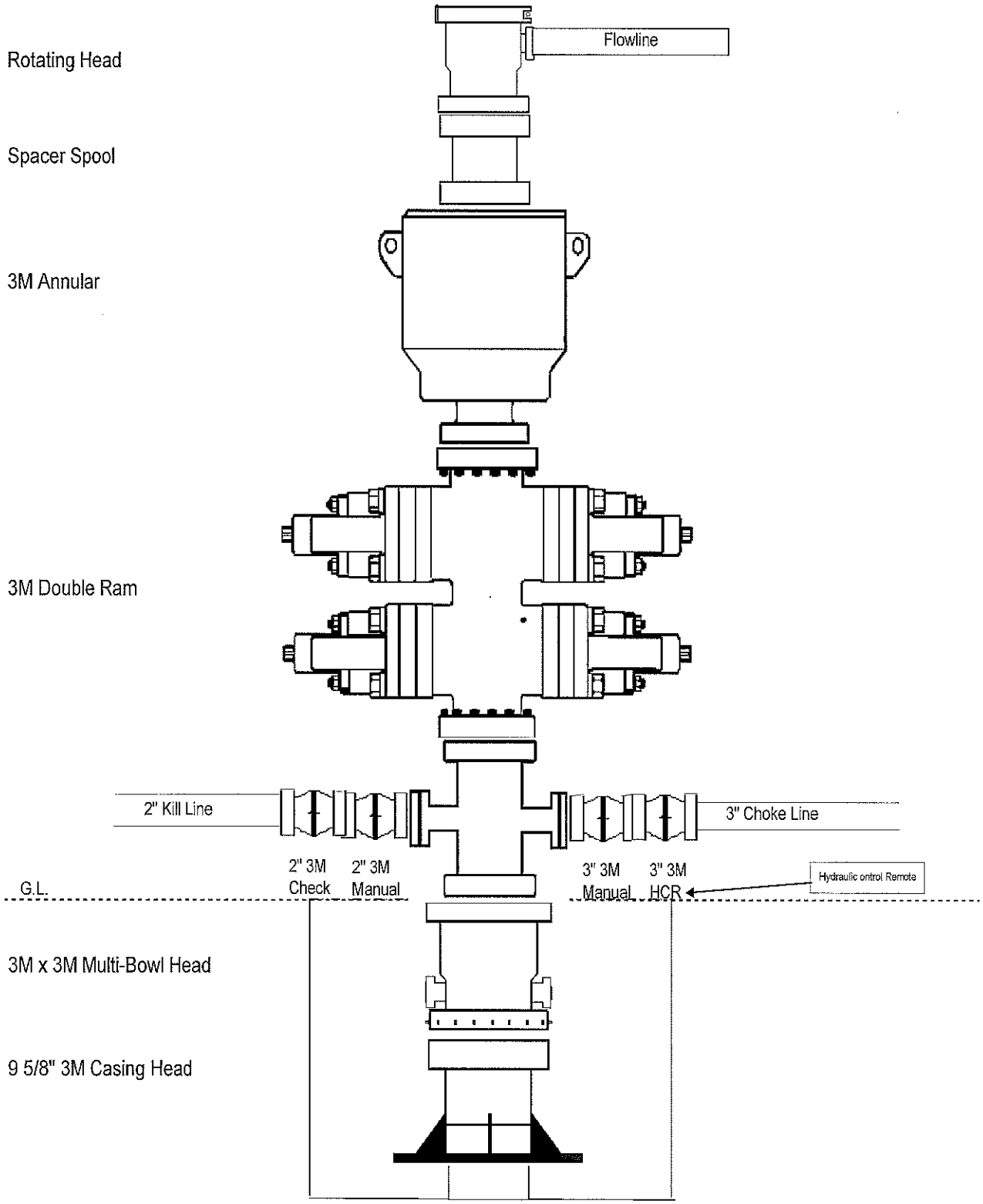
8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2,300 psi. Maximum anticipated bottom hole temperature is 120° F.

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

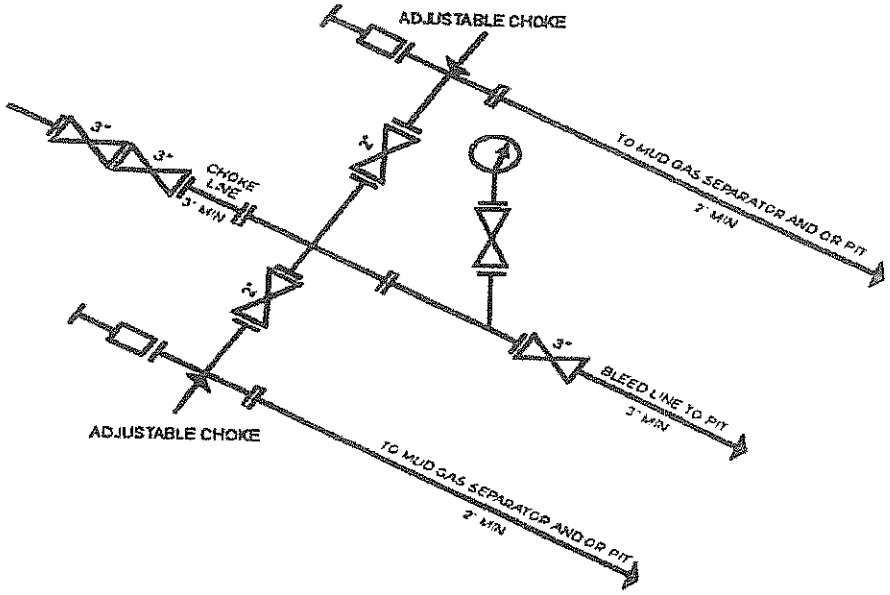
DRILLING PROGRAM

3M BOP STACK



ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
RW 41-35AGR

DRILLING PROGRAM



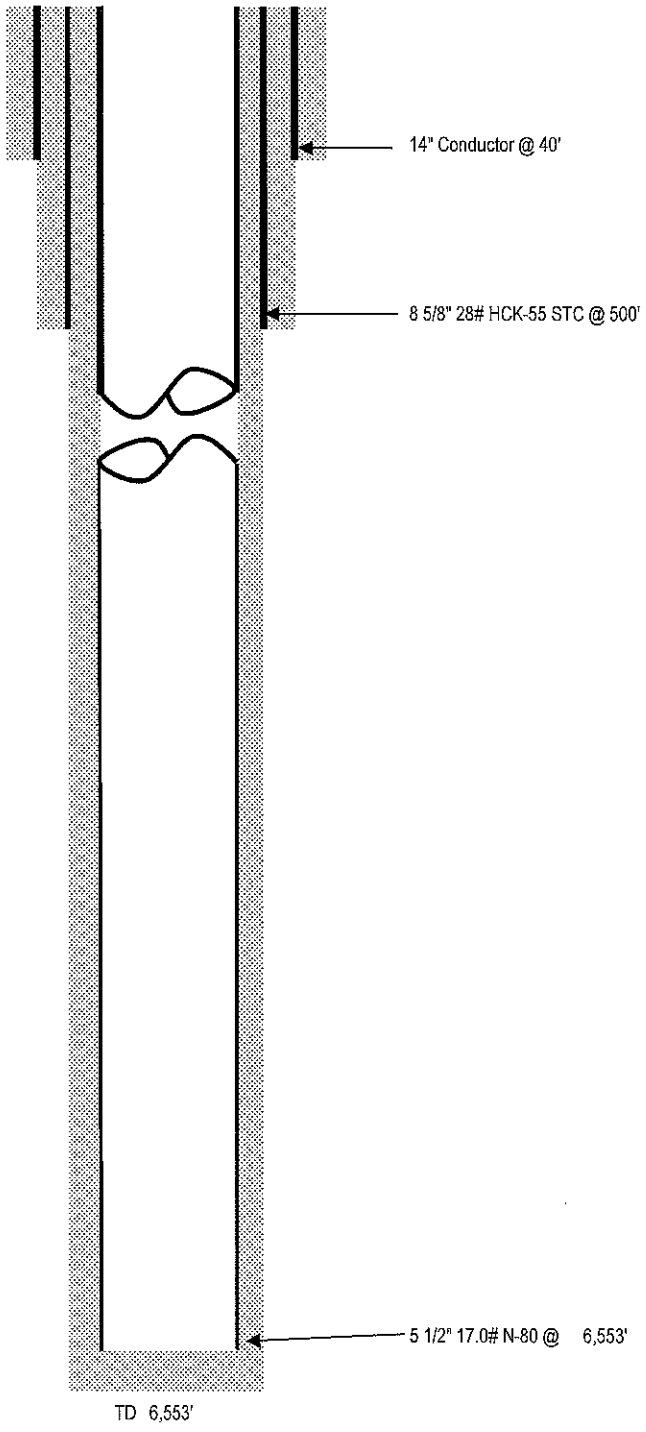
3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept. 27, 1989]

Modified 05-07-2013 CRA

RW 41-35AGR
API # 43-047-51759
Proposed WBD
Uinta Basin

Sec. 35 T7S-R22E, Uintah Co, UT
LOCATION: 643' FNL, 693' FEL

KB 5,498'
GL 5,482'



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0558

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: RED WASH

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: RW 41-35AGR

2. NAME OF OPERATOR: QEP ENERGY COMPANY

9. API NUMBER: 43047517590000

3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER: 303 308-3068 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0643 FNL 0693 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 35 Township: 07.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☑ SPUD REPORT Date of Spud: 7/1/2013	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ON 7/01/2013- QEP ENERGY COMPANY SET 90' OF 14" CONDUCTOR PIPE AND CEMENTED WITH READY MIX.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
July 03, 2013

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Valyn Davis	435 781-4369	Regulatory Affairs Analyst
SIGNATURE N/A		**DATE** 7/3/2013

RECEIVED: Jul. 03, 2013

CONFIDENTIAL

BLM - Vernal Field Office - Notification Form

Operator QEP ENERGY Rig Name/# PETE MARTIN #1
Submitted By Dave Harding Phone Number 435-828-0396
Well Name/Number RW 41-35 AGR
Qtr/Qtr NE/NE Section 35 Township 7S Range 22E
Lease Serial Number UTU0558
API Number 43-047-51759

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 6/30/2013 8:00 AM ☒ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☐ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time _____ _____ AM ☐ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

RECEIVED
JUN 2 9 2013
DIV. OF OIL, GAS

Date/Time _____ _____ AM ☐ PM ☐

Remarks We will be drilling and setting 90 ft of 14 inch conductor

_____

CONFIDENTIAL

BLM - Vernal Field Office - Notification Form

Operator QEP ENERGY Rig Name/# PRO PETRO #1
Submitted By Dave Harding Phone Number 435-828-0396
Well Name/Number RW 41-35 A GR
Qtr/Qtr NE/NE Section 35 Township 7S Range 22E
Lease Serial Number UTU0558
API Number 43-047-51759

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

☒ Surface Casing
☐ Intermediate Casing
☐ Production Casing
☐ Liner
☐ Other

Date/Time 7/10/2013 6:00 AM ☐ PM ☒

BOPE

☐ Initial BOPE test at surface casing point
☐ BOPE test at intermediate casing point
☐ 30 day BOPE test
☐ Other

RECEIVED
JUL 09 2013
DIV. OF OIL, GAS & MINING

Date/Time _____ _____ AM ☐ PM ☐

Remarks We will be drilling and setting 500 ft of 8 5/8 inch surface casing

CONFIDENTIAL

BLM - Vernal Field Office - Notification Form

Operator QEP ENERGY Rig Name/# PETE MARTIN #1
Submitted By DAVID REID Phone Number 435-828-0396
Well Name/Number RW 41-35 AGR
Qtr/Qtr NE/NE Section 35 Township 7S Range 22E
Lease Serial Number UTU0558
API Number 43-047-51759

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 6/30/2013 8:00 AM ☒ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☐ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

RECEIVED
JUL 16 2013
DIV. OF OIL, GAS & MINING

Date/Time _____ _____ AM ☐ PM ☐

BOPE

- ☒ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

Date/Time 7/16/2013 20:00 HRS AM ☐ PM ☒

Remarks WE WILL BE TESTING THE BOP'S ON SST 88 AROUND 20:00 HRS ON 7/16/2013 WITH B&C QUICK TEST.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0558

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: RED WASH

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: RW 41-35AGR

2. NAME OF OPERATOR: QEP ENERGY COMPANY

9. API NUMBER: 43047517590000

3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078

PHONE NUMBER: 303 308-3068 Ext

9. FIELD and POOL or WILDCAT: UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0643 FNL 0693 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 35 Township: 07.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☑ SUBSEQUENT REPORT Date of Work Completion: 8/27/2013	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☑ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THIS WELL COMMENCED PRODUCTION ON AUGUST 27, 2013 @ 5:00 P.M.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
September 03, 2013

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jan Nelson	435 781-4331	Permit Agent
SIGNATURE N/A		**DATE** 8/30/2013

RECEIVED: Aug. 30, 2013

API Well Number: 43047517590000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU0558
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: RED WASH
8. WELL NAME and NUMBER: RW 41-35AGR
9. API NUMBER: 4304751759
10. FIELD AND POOL, OR WILDCAT: RED WASH

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER
b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER
2. NAME OF OPERATOR: QEP ENERGY COMPANY
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-4320
4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: NENE, 643' FNL, 693' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: NENE, 643' FNL, 693' FEL
AT TOTAL DEPTH: NENE, 643' FNL, 693' FEL
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 7S 22E
12. COUNTY: UINTAH
13. STATE: UTAH

14. DATE SPUDDED: 7/1/2013
15. DATE T.D. REACHED: 7/20/2013
16. DATE COMPLETED: 8/27/2013 ABANDONED ☐ READY TO PRODUCE ☑
17. ELEVATIONS (DF, RKB, RT, GL): 5483' GL
18. TOTAL DEPTH: MD 6,609 TVD 6,608
19. PLUG BACK T.D.: MD TVD
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): TRIPLE COMBO, CBL
23. WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.25	8.625 HCK	32	0	535		375	77	160	
7.875	5.5 L-80	17	0	6,568		1,375	550		

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	6,344							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) GREEN RIVER	4,714	6,237		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,714 6,237	.42	51	Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4,714 - 6,237	616 BBLS DELTA 140; 7,137 LBS 20/40 SAND

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☑ OTHER: OPS SUMMARY

30. WELL STATUS: POW

(5/2000)

(CONTINUED ON BACK)

RECEIVED: Sep. 23, 2013

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/27/2013	9/8/2013	24		87	0	499	GPU

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
	15	3					87	0	499	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

USED ON LEASE

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool oper, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
UINTA	0
GREEN RIVER	3,101
MAHOGANY MARKER	4,147
EAGLE	5,131

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) BENNA MUTH TITLE REGULATORY ASSISTANT - CONTRACT

SIGNATURE Benna Muth DATE 9/23/2013

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

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(5/2000)

RECEIVED: Sep. 23, 2013

QEP Energy Company

Daily Activity and Cost Summary

Well Name: RW 41-35AGR

API	Surface Legal Location	Field Name	County	State	Well Configuration Type
43-047-51759	S35-T7S-R22E	RED WASH	UINTAH	UTAH	Vertical

Unique Well ID	Ground Elevation (ft)	Casing Flange Elevation (ft)	Current KB to CL (ft)	KB to CF (ft)	Spud Date	Final Drlg Rig Release
UT08816460	5,482.1	5,482.10	30.00	30.00	7/1/2013 08:00	7/23/2013 12:00

Job Category	Primary Job Type	Secondary Job Type	Objective
DRILLING	DRILLING	DEVELOPMENT	

Start Date	Job End Date
7/1/2013	7/23/2013

Purpose

Summary

Contractor	RIG	Rig Type
Pete Martin Drilling	PETE MARTIN 1	AUGER RIG
Pro Petro	AIR 8	SURFACE RIG
SST Energy	SST 88	ROTARY RIG

DOL	Start Date	Summary
1	6/4/2013	PRE SPUD COSTS
2	6/20/2013	WATER LINE
3	6/29/2013	INSTALL WATER LINE
4	7/1/2013	WATER LINE- SET CONDUCTOR
5	7/5/2013	INSTALL WATER LINE
6	7/11/2013	RIG UP AND DRILL TO 510', RUN 505' OF 8 5/8" CASING, CEMENT SAME. RIG DOWN MOVE OUT
7	7/14/2013	RIG DOWN TOP DRIVE AND FLOOR, LOWER DERRICK AND SET OUT BACK YARD. START SETTING BACK YARD IN ON NEW LOCATION
8	7/15/2013	FINISH RIGGING DOWN ON OLD LOCATION MOVE TO NEW LOCATION,FINISH SETTIN INBACK YARD,STACK SUBS AND CENTER OVER HOLE.SET DRAWORKS AND DERRICK ON FLOOR.
9	7/16/2013	FINISH RIGGING UP NIPPLE UP BOP'S TEST BOP'S & CASING SET WEAR BUSHING PICK UP BHA AND TAG CEMENT @ 444'
10	7/17/2013	DRILL FROM 540 FT TO 555 FT RUN FIT TEST TO 11.2# EMW DRILL FROM 555 FT TO 3253 FT SHORT TRIP TO 530 FT DRILL WITH PARTICIAL RETURNES TO NO RETURNES DRILL 10 FT REAM 20 FT PUMP LCM PILL EVERY 30 FT CONT TO DRILL FROM 3253 FT TO 3634 FT
11	7/18/2013	DRILL FROM 3634 FT RTO 5248 BIT WT= 15/18 K GPM= 440 MOTOR RPM= 125 ROTARY= 35/40 FPR= 80.7 SHORT TRIP & CONT TO DRILL WORK TIGH HOLE @ 3633 TO 3560 FT CIRC & COND HOLE
12	7/19/2013	DRILL WITH PARTICAL RETURNES FROM 5248 FT TO6397FEET BIT WT = 15/18K 470 GPM MOTOR SPEED= 135 ROTARY SPEED= 42 RIG SERVICE
13	7/20/2013	REAM PACKED OFF HOLE FROM 6377 TO 6387 DRILL FROM 6397 FT TO 6609 FT (T.D.) CIRC & COND HOLE SHORT TRIP FROM 6609 FT TO 2965 FEET WASH & REAM 150 FT TO BOTTOM (NO FILL) CIRC HOLE FOR LOGS TRIP OUT FOR LOGS SLM PIPE PJSM RIG UP LOGGING TRUCK AND RUN LOGS , LOGS STOPPED @ 1460'. RIG DOWN WIRLE LINE TRUCK AND PICK UP SHUTTLE TOOLS
14	7/21/2013	RIG UP WEATHERFORD DEPLOYMENT TOOLS, TIH WITH SHUTTLE TOOLS WASH 135 FT TO BOTTOM CIRC HOLE PJSM RIG UP LAY DOWN TRUCK DROP DART AND DEPLOY LOGGING TOOLS LAY DOWN DRILL PIPE & LOGGING TOOLS TIH EXTRA DRILL PIPE & LAY DOWN PULL WEAR BUSHING PJSM & RIG UP CASING CREWS PICK UP AND RUN145 JTS OF 5 1/2" L-80 LT&C CASING
15	7/22/2013	CIRC & WAIT ON ORDERS FINISH RUNNING CASING WASH& REAM CAASING FROM 3606 FT TO 3715 FT WASH CASING 40 FT TO BOTTOM CIRC CASING PJSM & RIG UP HALCO PUMP 35 BBL'S CEMENT BATCH MIXER WAS NOT MIXING CEMENT RIGHT HOOK UP RIG PUMPS TO CASING AND PUMP OUT BAD CEMENT CIRC & WAIT ON HALCO TO REPLACE CEMENT IN LEAD P-TANK . CIRC CASING
16	7/23/2013	SET PACK OFF ASSEMBLY WITH CAMERON. CLEAN TANKS AND NIPPLE DOWN BOP

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO:
3160 / (UT922000)
UTU63010X

MAY 20 2014

RECEIVED
MAY 23 2014
DIV. OF OIL, GAS & MINING

QEP Energy Company
Independence Plaza
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Non-Paying Well Determination
RW 41-35AGRWell, Red Wash Unit
Uintah County, Utah

Dear Ms. Chatman:

Pursuant to your request of May 7, 2014, it has been determined by this office that under existing conditions the following well is not capable of producing unitized substances in paying quantities as defined in Section 9 of the unit agreement:

API Number	Well Name	Location							Comp. Date	Lease
4304751759	RW 41-35AGR	NENE	35	7.0	S	22.0	E	SLB&M	8/27/2013	UTU0558

All past and future production from this well shall be handled and reported on a lease basis. If you have any questions, please contact Mickey Coulthard of this office at (801) 539-4042.

Sincerely,

Becky J. Hammond

Becky J. Hammond
Acting Chief, Branch of Minerals